INVESTIGATION REPORT TO
THE MINISTER OF EDUCATION,
PROVINCE OF ONTARIO
REGARDING THE
OTTAWA-CARLETON DISTRICT SCHOOL BOARD

AUGUST 6, 2002

EXECUTIVE SUMMARY

I was appointed under the Education Act of Ontario to investigate the financial affairs of the Ottawa-Carleton District School Board ("OCDSB"), especially their proposed deficit budget for 2002-2003. I have performed the investigation in association with members of my firm. We met with most of the OCDSB's Trustees and many of the Staff, as well as officials at the Ministry of Education ("Ministry"). We reviewed written and oral submissions from the Trustees, and applicable OCDSB documents including those submitted to the Ministry.

In our opinion, based on the available data, an important portion of the 2002-2003 proposed budget deficit arises because of delayed or uneconomical decisions that were chosen by the majority of Trustees. Much of the Trustee inaction can be attributed to the group of Trustees who were elected in 2000. In recent years, OCDSB Staff have recommended many measures to improve efficiency which have not been accepted by the majority of Trustees. For example, Staff-recommended cost reductions to transportation and the closure of schools were not adopted, or at times even considered, by the majority of the Trustees. Overall, therefore, previous Trustee inaction on economy and efficiency proposals, such as school closures, have contributed significantly to the proposed 2002-2003 budget deficit.

A total of $141 million (of which $127 million was for operating funds) was provided to OCDSB by the Government of Ontario to transition from the previous to the new funding system in the Province. Much of the $127 million was not used for its intended purpose.

As an example, Trustee funding allocations have given dollars to low-utilization schools, and transportation programs, for purposes that are not fully discernible. Reasons for many budget allocations by the Trustees have not been documented or well justified. Trustee decision effects or consequences to all of the OCDSB's students have not been communicated effectively to parents.

In essence, the majority of Trustees have literally self-inflicted their financial crisis of 2002-2003. Consequently, we are recommending to the Minister that control and charge over the administration of the affairs of OCDSB should be vested in the Ministry, in accordance with Division D of Part IX of the Education Act.

Cost savings are achievable and should have been pursued by all Trustees as part of their regular fiscal responsibility and accountability roles. A partial or complete presumption that a government will fund whatever some Trustees choose to spend is unlikely to be consistent with taxpayers' views.

Given that this report is being submitted less than one month before the OCDSB's schools are scheduled for opening, limited funding options and money decision choices are available. A balanced budget for 2002-2003 is attainable, but could result in some harsh consequences. For example, immediate large efficiency improvements would have to be made to transportation in order to balance the budget. Alternatively, the OCDSB could pursue other savings, but could be risking litigation for not having given sufficient notice to certain parties. These risks could have been avoided if Staff recommendations had been adopted in February 2002.

The granted three-year transition period to Ontario's new education policies should have been more than adequate to effect reasonable changes in OCDSB's programs. OCDSB Staff proposed a long-term, phase-in program to restructure the delivery of special education. Such a plan was not approved by the majority of Trustees. As a result, the changes to special education may now have to be immediate, instead of having been introduced over time.

Special education programs are an important part of the Province's education system. However, cost efficiencies that have been implemented successfully by other Boards have to receive consideration and evaluation for possible use by OCDSB.

In our opinion, for a variety of reasons, justification does not exist to simply have the government finance the proposed OCDSB deficit for 2002-2003. Trustees would not be motivated to effect obvious cost efficiencies if additional funding were provided. The Board of Trustees that was elected in 2000 has already demonstrated a different philosophy of education to the Province-wide legislation, and an unwillingness to accept many improvements in economy and efficiency. Taxpayers ought to be asked to furnish dollars when needed, but only after all reasonable cost improvements have been implemented. Education policy in Ontario specifies that education equity should exist across the Province. Consequently, the Trustees of the OCDSB ought to have judged their decisions in relation to other regions of Ontario. Any request for "special treatment" by OCDSB should be logical and well documented. We have not seen convincing documentation or rationale within the OCDSB for many of the Trustees' decisions.

Our mandate did not include an analysis of the Province's funding formula. That issue is currently under investigation. Our focus must be upon the 2002-2003 school year in total, and what has to be accomplished commencing in September 2002 to result in a balanced budget for 2002-2003. Now is too late to effect some of the cost efficiencies for September 2002, given possible legal implications and moral obligations. However, various cost savings procedures can be introduced immediately, to have effect in January or September 2003.

We have been able to identify certain cost improvements that can be legally implemented quickly, such as reductions to transportation, the number of schools, certain instructional service programs, and education centres. (See the Report's Appendices, especially D and E.) These immediate cost improvements could have previously been made gradually, over the past couple of years, and through effectively using the transition funding. As stated, Trustee procrastination could hinder transition.

Based on the evidence that we have seen, we are not convinced that the majority of the Trustees of the OCDSB, no matter how dedicated each may be, have voted decisively in the past two or more years to carry out attainable savings. The role of a Trustee of a

School Board should involve balancing the interests of citizens of Ontario with the needs of students and parents in their school district.

Providing governance to a School Board with an annual budget of over one-half of one billion dollars requires financial skills and a willingness to make objective monetary decisions. Our investigations of the recent five years of financial data of OCDSB indicate that problems will recur unless governance changes are made. Our report provides some suggestions for improving governance and accountability. Specific education courses are needed for Trustees. However, more extensive oversight may be needed for the OCDSB. Guidance for Trustees is available in various documents, including the "Budget Speech" and "Budget Papers" from Ontario Budget 2001 and the technical papers thereto.

TABLE OF CONTENTS

I. INTRODUCTION
II. SCOPE
III. RECOMMENDATIONS
IV. CONSIDERATIONS
V. SUMMARY OF FINDINGS
VI. BACKGROUND
VII.C URRENT FINANCIAL ANALYSIS
VIII. FINANCIAL MANAGEMENT
IX. STAFF RECOMMENDATIONS
X. OTHER AREAS PURSUED
XI. ACCOUNTABILITY REPORTING
XII.GO VERNANCE TRAINING
XIII. SUMMARY
XIV. LIMITATIONS
XV. ACKNOWLEDGEMENTS

APPENDICES

APPENDIX A	FINANCIAL ANALYSIS
EXHIBIT 1	FUNDING VS. EXPENDITURES FOR 2002-2003
APPENDIX B	STAFF-RECOMMENDED BUDGET REDUCTIONS/ (INCREASES) VERSUS BOARD OF TRUSTEES-APPROVED BUDGET REDUCTIONS/(INCREASES)
EXHIBIT 1	RECOMMENDED BUDGET CUTS VS. APPROVED BUDGET CUTS
EXHIBIT 2	OPTIONS IDENTIFIED FOR POSSIBLE REDUCTION BUT NOT RECOMMENDED BY STAFF
APPENDIX C	FUNDING VERSUS EXPENDITURE FOR 2002-2003
APPENDIX D	STAFF-RECOMMENDED AND BOARD-APPROVED REDUCTIONS
	PREAMBLE TO EXHIBITS 1 – 19
EXHIBIT 1	SCHOOL CLOSURES
EXHIBIT 2	CUSTODIAL BUDGETS
EXHIBIT 3	TRANSPORTATION
EXHIBIT 4	SCHOOL BREAKFAST PROGRAM
EXHIBIT 5	MENTORING PROGRAM
EXHIBIT 6	INSTRUCTIONAL COMPUTERS
EXHIBIT 7	SUPERINTENDENTS' OFFICES AND SUPPORT FOR SCHOOLS
EXHIBIT 8	MEDIA CENTRE

APPENDIX D (CONTINUED)

EXHIBIT 9 OUTDOOR EDUCATION CENTRE
EXHIBIT 10 PROGRAM DIVISION
EXHIBIT 11 SPECIAL EDUCATION
EXHIBIT 12 OCCASIONAL TEACHER BUDGET
EXHIBIT 13 SCHOOL BUDGET ALLOCATIONS
EXHIBIT 14 ELEMENTARY SCHOOL VICE-PRINCIPALS
EXHIBIT 15 SECONDARY SCHOOL VICE-PRINCIPALS
EXHIBIT 16 SECONDARY SCHOOL OFFICE ALLOCATION
EXHIBIT 17 TECHNICAL SUPPORT IN SECONDARY SCHOOLS
EXHIBIT 18 OTHER TRUSTEE BUDGET REDUCTIONS
EXHIBIT 19 TWINNING OF PRINCIPALS AT ELEMENTARY SCHOOLS

APPENDIX E
EXHIBIT 1 BALANCED BUDGET

APPENDIX F RESTRICTIONS AND LIMITATIONS TO OUR RECOMMENDATIONS

APPENDIX G OTHER POSSIBLE COST SAVING ALTERNATIVES TO BENEFIT FUTURE YEARS

APPENDIX H REVIEW OF THE BOARD OF TRUSTEES' MINUTES

APPENDIX I PROFESSIONAL BACKGROUNDS

I. INTRODUCTION

You have asked me to perform an investigation into the finances of the Ottawa-Carleton District School Board ("OCDSB", the "School Board" or the "Board") as a result of the recent submission of a deficit budget for the 2002-2003 school year. My appointment as an investigator is in accordance with Division D of Part IX of the Education Act. The professionals in my firm have assisted me with the investigation of the OCDSB.

Our professional backgrounds are shown in **Appendix I**.

II. SCOPE

You have provided us with the following terms of reference in accordance with Part IX, Division D, of the Education Act.

Our terms of reference are:

"For this purpose, the investigator shall:

- assess the Board's current financial position including any accumulated deficit or reserves;
- review the financial management and program decisions already taken by the Board that will influence its financial position in 2002-2003;

- review the recommendations of Board Staff;
- assess whether the implementation of the recommendations of Board Staff would result in a balanced budget for 2002-2003;
- assess the extent to which the Board has pursued areas for potential savings;
- identify other areas of potential savings; and
- provide recommendations for further action."

In preparing our report, we held formal discussions with the Board Staff (the "Staff" or "OCDSB Staff") and the Board of Trustees (the "Trustees", or "Board of Trustees").

III. RECOMMENDATIONS

1. OCDSB can achieve a balanced budget for fiscal 2002-2003 by making several cost effectiveness decisions, as is illustrated in Appendices D, E and G. Some of the decisions could have consequences because of the existence of various labour and commercial contracts. Hence, implementation dates will have to vary.

2. The balanced-budget proposals that were made by OCDSB Staff in February and May 2002 should be implemented as soon as possible. Given the time elapse since February and May, some of the cost savings may not occur for a few months. But,

the decisions to move towards attaining efficiency and economy should be commenced quickly.

The principal cost centres in which savings can be achieved are:

A. Closure of schools.
B. Restructuring of transportation arrangements.
C. Special education delivery, especially a reduction in the use of congregated classes.
D. Uses of occasional teachers.
E. School budget allocations.
F. Twinning principals in elementary schools.
G. Technical support in secondary schools.
H. Outdoor education.
I. Uses of educational assistants.
J. Reduction of principals and vice-principals.
K. Various overhead costs.

The cost savings are expected to take effect at different points in time. Benefits should be realized in future fiscal years.

3. Control and charge over the administration of the affairs of the OCDSB should be vested in the Ministry, in accordance with Division D of Part IX of the Education

Act. Both a deficit for 2001-2002 (excluding usage of reserves) and a probable deficit for 2002-2003 could exist as a result of the Board's actions to date. Steps have to be taken to eliminate the deficit for 2002-2003.

A majority of Trustees have not acted on a timely basis, or at all on some issues, in accordance with their governance role. Prompt action is needed to minimize OCDSB's cash shortfalls, particularly the meeting of cash payroll requirements for September 2002. Existence of a deficit budget effectively limits or prevents bank borrowings. Hence, OCDSB's schools may not be able to function throughout September 2002 should the teachers not be paid.

4. Special education must be monitored as soon as possible to evaluate the effectiveness of the various programs. A disproportionate amount of the available funds of the OCDSB is being allocated to special education. Yet, the delivery options and their economy and efficiency have not been adequately researched, and compared to what other School Boards are practicing.

5. The expenditures of OCDSB that are in excess of the respective funding that is granted under the Provincial formula should be re-examined for ways to improve efficiency.

6. Trustee education programs should prove beneficial in conveying the nature and responsibilities of governance roles. Specific education programs should be arranged and made compulsory for all Trustees.

7. Improvements can be made in exchanging program delivery technologies among the Province's School Boards. Some Boards are implementing innovative techniques that other Boards have not considered

Further information is available in the Appendices, especially D and E.

IV. CONSIDERATIONS

Our focus was principally upon the 2002-2003 budget year and the periods shortly before and after. Our analysis brought forth the undernoted central concerns of the Trustees, the Staff and ourselves. Responses to these considerations are provided throughout the report and its appendices.

A. Why did the majority of the Trustees reject the balanced budget that had been prepared by the OCDSB Staff for 2002-2003, and elect instead to submit a deficit budget, contrary to the Education Act?

B. What role did the majority of the Trustees have, if any, in precipitating a proposed financial deficit for 2002-2003? Were specific Trustee inactions or actions of the past few years instrumental in leading to the current proposed budget deficit?

C. Have the majority of the Trustees acted professionally and responsibly in managing the finances of an over $500 million per year operating entity? Are the Trustees sufficiently familiar with governance and oversight responsibilities?

Do the individual Trustees understand their role as part of a Board of Trustees? If so or not, what evidence exists? For example, the "Budget Speech" and "Budget Papers" from Ontario Budget 2001 set forth accountability perspectives. Such concepts ought to be incorporated into decisions made by Trustees of School Boards.

D. Given that the composition of the Board of Trustees has changed in the period 1998 to 2002, have there been noticeable differences in the stewardship style and operating philosophy at the OCDSB? What are the differences, if any, and what are their implications for all students within OCDSB?

E. What options were considered by the Trustees before they submitted a deficit budget for 2002-2003?

F. The entire OCDSB should ask whether a group of twelve Trustees is able to become sufficiently familiar with the overall nature of a large School Board, perhaps in a short time? Five of twelve Trustees of OCDSB were newly-elected in 2000. Can such a group of Trustees oversee the operations, including the rationing of available dollars, to different programs and processes, in an efficient manner? To what extent are the Trustees more knowledgeable than the OCDSB's full-time Staff? Have some Trustees assumed the role of management instead of engaging in their designated governance and oversight responsibilities?

G. Are the control and accounting systems in use by the OCDSB adequate to provide the possible benefits and other consequences of alternative spending increases and decreases? What changes, if any, are required to improve both management and oversight at the OCDSB? For example, should a form of standardized account numbers exist, with practical accounting descriptions, so that all Boards would tend to account in a similar way?

H. Have adequate minutes of Trustee meetings been kept, so that the reasoning employed in allocating financial resources is readily available for evaluation and for use in future decision making?

I. In terms of governance of the OCDSB, and reporting to the parents, have any written communications adequately described important decisions that were taken by the Board of Trustees? Are such communications sufficiently accurate and complete? Is it possible that the parents are generally unaware of how funds have been allocated by the Trustees, and such effects? Is it possible that parents have been misled by incomplete communications?

J. Is the financial deficit proposed for 2002-2003 by the majority of the Board of Trustees the partial result of factors and issues that have not been identified above?

V. SUMMARY OF FINDINGS

Based on our review of the OCDSB's financial documents, we have noted the following.

A. Between 1998-1999 and 2000-2001, OCDSB received over $140 million in various transition funds from the provincial government. The transition funds were to be used to bring OCDSB into phase with other Ontario School Boards, and to integrate portions of programs that were not being financed under the new funding formula. Much of the transition money was not used by OCDSB as required by the Ministry. Rather, OCDSB used large portions of the money to continue funding several of its current programs on a status quo basis.

B. As discussed in **Appendix D**, "Special Education", the OCDSB offers a mainly congregated special education delivery system, unlike some other School Boards. Such a system is costly in both teaching salaries and transportation to a central congregated location. Since the Ottawa-Carleton amalgamation, few cost reductions have been made to special education, an area where OCDSB disproportionately spends over $65 million annually, on teaching instruction alone. The Trustees will have to re-examine these programs for cost efficiencies, especially those that have been introduced by other Boards.

C. Since 1998, OCDSB has closed six elementary schools and one high school, eliminating approximately 2,000 pupil places. The current Board of Trustees reversed a decision to close an additional five elementary schools for the 2001-2002 school year. Much of OCDSB's funding is affected by its school utilization, which could be improved by the closure of some under-utilized schools. New housing developments will require schools, and OCDSB has to make itself eligible for special grants for new schools. The failure to close schools has directly hindered the OCDSB's eligibility for new school grants.

D. The projected funding for OCDSB for 2002-2003 is over $500 million, which is an increase of 2.3% over 2001-2002. School enrolment is expected to increase by only about 1% in 2002-2003 from the previous year.

E. In the period from 1998 to 2000, OCDSB's transportation expenditures were aligned with its funding of approximately $22 million per year. We understand that approximately one-half of OCDSB's transportation expenditures are for special education students. We understand that special education programs are important for Ontario. However, the large number of congregated special education classes results in a costly transportation system. Reconsideration has to be given to whether more cost effective delivery is possible.

F. The Trustees require reports and research to make cost effective decisions. Currently, OCDSB's central administration budget is below its funding envelope as set out by the Ministry. Trustees should determine the adequacy of information that is available and decide whether it is cost effective to re-examine the amount of funds that should be allocated to information that is needed for decision-making.

G. Corporate governance within the OCDSB requires improvement. Discipline at Board meetings is not ideal, training of Trustees has to be improved, and a perception of broader Trustee responsibilities has to be sharpened. An enhanced education program for Trustees is necessary to set forth distinctions between daily management and oversight roles, and decision-making consequences.

In summary, a balanced budget can be attained over the year for 2002-2003 (see Appendices D, E and G). But, immediate decisions are needed, and some difficult consequences may follow. If the decisions had been made earlier by the Trustees, the consequences would have been easier to manage.

VI. BACKGROUND

We understand that the OCDSB was formed in the 1998-1999 school year as a result of the amalgamation of the Ottawa and Carleton School Boards. Based upon our discussions with Staff members, it appears that the amalgamation brought together two dynamically different School Boards with significantly different programs and service levels.

The Ministry of Education ("the Ministry") introduced a new funding formula for all School Boards in 1997. The premise of the new funding formula was to equalize education opportunity across the province, including funding implications, for all of Ontario's participant School Boards. The Ministry provided some School Boards with transitional funding over a period of years to align their expenditures with the available funding provided under the new formula. As a result, the OCDSB Staff prepared a comprehensive long-term plan to help the School Board align its expenditures with the Ministry's new guidelines. The long-term plans were presented by Board Staff to the Trustees in 1998-1999. Therefore, the Trustees were fully aware in 1998 of the financial challenges that would face the OCDSB in the coming years.

Based on our analyses, the previous Board of Trustees approved most of the Staff's recommended budget reductions in 1999-2000. Some cuts were made to align the expenditures with the Provincial funding envelopes in accordance with Staff's long-term plans. Such cuts included the closure of five schools, $4.7 million in reductions to special education spending and many other savings.

In late 2000, a new Board of Trustees was elected, consisting of seven Trustees from the former Board and five new Trustees. The new Board reversed some of the decisions that were approved by the predecessor Board, such as re-opening five schools that had previously been approved for closure, and the reinstatement of over $750,000 for special education expenditures.

Since 1998, the Ministry has provided the OCDSB with over $140 million in transitional funding to alleviate some of the financial pressures that may have been caused by the introduction of the new approach of having Province-wide standards of education and funding. Despite the availability of transitional funds that were provided by the Ministry over a three-year period, the Trustees have not agreed to balance the 2002-2003 budget. The transition money had been spent in previous years, for various purposes.

VII. CURRENT FINANCIAL ANALYSIS

We performed a comparison and analysis of the OCDSB's finances commencing with the 1998-1999 school year. Our analysis specifically focused on the OCDSB's historical expenditures and funding allocations from 1998-1999 to the proposed 2002-2003 budgets. Our financial analysis also investigated some of the more material expenditure areas such as instruction, special education, and transportation. We analyzed the OCDSB's use of the transitional finds that were provided to them by the Ministry between 1998-1999 and 2001-2002. We compared OCDSB's financial performance to other, similar School Boards. **Appendix A** includes our detailed financial analysis and findings.

Based on our findings in **Appendix A**, the OCDSB did not use the transitional funds to achieve efficient and effective program delivery. Rather, the funds were primarily used to maintain existing programs.

VIII. FINANCIAL MANAGEMENT

Our investigation explored OCDSB's management of the allocated funding provided by the Ministry. One of the main areas of investigation was the budget process. In general, the annual budget process consists of commencing with the Staff's estimate of the expected funding for the upcoming year and their recommended allocation of how the available funding should be spread among the spending categories. The Trustees must then incorporate the Staff's recommendations in order to finalize the budget. We have thoroughly analyzed the OCDSB's budget process from 1998-1999 to 2002-2003, to assess whether all reasonable efforts were made by both the Staff and the Trustees to balance the budget in each year. We have also tabulated whether the approved expenditure allocations were reasonable, relative to some other Boards.

Appendix B specifically includes a comparison and analysis of the Staff-recommended budget reductions to the Trustee-approved budget reductions from 1998-1999 to 2002-2003. **Appendix B** investigates the reasons for the approval or non-approval of certain Staff-recommended budget reductions and it also serves to explain the events that have led to OCDSB's perceived current financial problems and proposed deficit budget for 2002-2003.

IX. STAFF RECOMMENDATIONS

To balance the 2002-2003 budget, OCDSB Staff recommended various budget reductions. In February 2002, the Staff recommended approximately $33 million in budget expenditure decreases. The Trustees approved only approximately $9 million of the Staff's recommended budget reductions, resulting in the proposed budget deficit of approximately $23 million. Given the continued existence of a budget deficit, the Staff recommended another round of budget expenditure decreases in May 2002. The Trustees did not approve any of the May 2002 budget reductions. Many of the May 2002 recommended budget reductions consisted of the February 2002 budget suggestions that had not been previously approved by the Trustees. **Appendix C** provides a summary schedule that compares OCDSB's funding to its expected expenditures for 2002-2003 (including the February 2002 budget reductions that were approved by the Trustees), resulting in a current proposed deficit budget of $23 million.

To understand the nature of the OCDSB's current budget deficit and to recommend legally and logistically-viable alternatives, we have primarily focused on investigating the Staff-recommended budget reductions that were not approved by the Trustees. Due to the scope of, and time restrictions for, our investigation, it was not possible for us to significantly consider other budget alternatives that had not already been thoroughly studied and considered by the Staff. However, Exhibit 1 to **Appendix E** ("Balanced Budget") provides several suggestions to improve efficiency at OCDSB.

We considered and evaluated Staff's February and May 2002 recommendations for the 2002-2003 year in order to determine which of the recommendations could still be legally and logistically implemented for the upcoming school year. **Appendix D** provides a summary schedule of the Staff's budget reduction recommendations that were made in February 2002 and in May 2002, and the budget cost improvements that were accepted by the Trustees. **Appendix E** and the related Exhibits include our detailed analysis of the Staff's recommendations that are listed in **Appendix D**. **Appendix E** also includes our analysis of the feasible budget reduction alternatives that could be implemented for September 2002 and that would serve to decrease the budget deficit for the 2002-2003 school year. **Appendix F** provides our analysis of certain legal and logistical limitations that are relevant in considering the range of budget alternatives that we considered for the upcoming school year. **Appendix H** sets forth the voting patterns and recorded thinking of the Trustees on some critical issues.

X. OTHER AREAS PURSUED

a. Cost Savings for 2003-2004

During the course of our investigation, we identified other potential areas of cost savings that have future benefits. The implementation of any cost saving recommendations that arise from these other areas that we identified probably should result in greater savings for the 2003-2004 school year than for 2002-2003. **Appendix G** includes our detailed analysis of some of the areas of potential savings that we have identified in the course of our investigation for the 2003-2004 school year. **Appendix G** should be read in conjunction with Exhibit 1 to **Appendix E**.

b. Bank Financing

The Staff has prepared cash projections for August 2002 and September 2002, which demonstrate that the OCDSB will require a temporary, yet significant, injection of operating cash. We understand that the OCDSB has requested a line of credit from its bank for the upcoming school year. The bank has formally rejected OCDSB's request for a line of credit. The bank's lawyers have prepared an opinion that the OCDSB cannot legally borrow monies as a result of the existence of its deficit budget for the 2002-2003 school year. We understand that the Education Act requires a properly-approved budget in order to permit a School Board to borrow large amounts of funds. The existence of a balanced budget would eliminate the banking issue.

XI. ACCOUNTABILITY REPORTING

The Board of Trustees of OCDSB are responsible for allocating over one-half of one billion dollars per year to primary and secondary education programs. OCDSB has to be in phase with all other provincially-funded entities and organizations in justifying its usage of the taxpayer's dollar.

Accountability by the Trustees of OCDSC exists not only to the Ontario taxpayer but also to their local district taxpayers (who elect the Trustees) and to the Minister of Education, and her department. Equitable balances have to be struck by all governments so as to spend economically, efficiently and effectively. High taxation has serious side effects, which may include diversion of investment dollars, loss of jobs and a decline in our standard of living.

Our review of the accountability process in place at the OCDSB identified aspects of stewardship and governance that require immediate improvement. For example, when millions of the available dollars are being spent on one program and not on another, appropriate explanations should be available somewhere in the system.

We noted the following:

1. Inadequate descriptions in the minutes of Trustee meetings of why suggestions by OCDSB Staff were accepted or rejected. Outright Trustee rejections of Staff recommendations to save money require concrete explanations, or the governance process becomes weakened. **Appendix H** includes a detailed analysis and assessment of the quality of the documentation of the minutes.

2. Often minimal, documented explanations exist in minutes concerning what professional and financial evidence had been gathered and evaluated before a vote was called to spend millions of dollars. See **Appendix H** for further analysis.

3. Communications to parents are at a minimal level, thereby increasing the possibilities that misunderstanding of Trustee decisions could occur. How can a parent decide whether a rational or an emotional vote has occurred when sufficient information is missing? See **Appendix D**, Exhibit 11, "Special Education".

4. Convincing evidence was not available to the effect that all reasonable economies and efficiencies had been achieved by OCDSB. Trustees have to investigate what other School Boards in the province have been able to attain.

5. Several OCDSB Trustees appear to believe that the Board has attained a superior, or at least above average, education level, especially with their special education program. The OCDSB should be able to produce accountability reports and financial data showing that operations are efficient and effective for the dollar expenditures.

XII. GOVERNANCE TRAINING

Material is available to assist newly-elected Trustees to comprehend the duties, responsibilities and overall role of a Trustee. During our investigative process, it became clear to us that something more than the Education Act and the available material was needed to spell out the full scope of the nature of Trustee governance. We do not have concerns about the dedication of the Trustees, but we believe that the Trustee role is too vulnerable to becoming focused on special interests.

A Trustee is required to function within constraints, the most obvious of which is that money is not readily available for every possible special interest. Intense lobbying and gallery outbursts at Trustee meetings cannot be allowed to interfere with rational decision making by Trustees. Choices have to be made. These decisions should occur in the environment of having received the best available information. Trustees should be made fully aware of taxpayers' concerns. All of these factors and more should become part of a Trustee education program dealing with governance issues and allocating resources.

XIII. SUMMARY

In the course of our investigation we have been able to identify alternative budget reductions for the 2002-2003 school year that would reduce the current budget deficit from $23 million to zero. The deficit could have been eliminated as early as February 2002, if the Board of Trustees had acted upon the OCDSB Staff's recommendations. As a result of the Trustees' inaction, it is our assessment that the OCDSB's governance body now must act promptly to balance the budget. The sooner that changes are introduced, the sooner the efficiencies become generated.

Based on our investigation, it is our opinion that the OCDSB has misused the transitional funds that were provided by the Ministry. The Ministry furnished transitional funding to School Boards in order to assist them in phasing-in long-term efficiencies. The OCDSB did not use its transition funds as required by the Ministry. Furthermore, since about 1999-2000, the Trustees have not made the necessary, tough decisions to ensure that a balanced budget would exist for 2002-2003. As a result, the OCDSB has found itself in a position where it has to make all of the cost reductions in one year. The Ministry and the Staff recommended a phased-in, multiple-year process to reduce costs.

We believe that the Ministry should act promptly to vest in itself the powers of the Board of Trustees of OCDSB, in accordance with Division D of Part IX of the Education Act. Decisions must be made immediately on certain issues.

XIV. LIMITATIONS

Our mandate did not include a review of the provincial education funding formula. We also did not conduct a forensic audit of OCDSB's books and records. Our focus was primarily upon financial governance and related matters over the transition period since 1998-1999 to the proposed budget for 2002-2003.

XV. ACKNOWLEDGEMENTS

We would like to thank the OCDSB Staff, the OCDSB Board of Trustees and the Staff at the Ministry of Education for providing useful input and explanations during our investigative process.

Respectfully submitted,

ROSEN & ASSOCIATES LIMITED

L.S. Rosen

FINANCIAL ANALYSIS

This appendix summarizes our analyses of the OCDSB's historical financial results. Our financial analyses have been premised on the Ministry of Education "District School Board" financial reporting packages. We examined the OCDSB's financial statements for the periods 1998-1999 through 2001-2002[1]. We also compared certain financial and operational benchmarks of OCDSB against other Ontario School Boards for the same period.

A. Summary

Based upon our review of the OCDSB's financial results, we observed the following:

1. A number of factors have contributed to the current financial budget deficit of OCDSB:

    a) A failure to transition expenditures to comply with the amended education framework and funding standards, as prescribed by the Minister of Education.

    b) A failure to use transitional funding to modify existing programs. Rather, transitional funds were used to maintain a level of expenditures that is not supported under the amended education framework, which is designed to have equitable funding across Ontario.

    c) Chronic overspending (expenditures in excess of funding allocations) of instructional envelopes, particularly in special education and classroom costs.

---

[1] The 1998-1999 through 2000-2001 financial statements reflect actual results. The 2001-2002 figures that were provided to us are revised estimates for the fiscal year ending August 30, 2002.

d) Lower funding (compared to certain other School Boards) in areas such as transportation and new pupil places, principally because OCDSB has not closed some schools.

e) A willingness, since 2000-2001, to increase instructional and classroom expenditures regardless of funding and resource constraints.

2. The reliability of OCDSB's historical financial comparisons is partially compromised by inconsistent accounting policies from year to year. Board Staff explained that this is mainly attributable to the amalgamation of the Ottawa and Carleton School Boards and because of the downsizing of central administration. The changes have made comparisons and trends difficult to analyze. However, progress is being made in standardizing systems.

3. It should be noted that enrolment levels at the OCDSB from 1998-1999 to the present have remained essentially flat. Initial efforts were made by the Board to reduce expenditures. Operating expenditures for 1999-2000 were 1.4% lower than the previous year. However, operating disbursements assumed an upward trend from 2000 onwards. Expenditures increased at a rate of 2% in 2000-2001, and are expected to continue increasing, according to the proposed 2002-2003 budget.

4. OCDSB has the highest operating expenditures per pupil in our comparison group, and the second highest level of operating allocations (funding) per pupil. Nevertheless, OCDSB has the largest percentage difference between its funding and its expenditures. That is, OCDSB *overspends its funds by the highest margin*.

5. OCDSB's teacher to pupil ratios are among the highest in our comparison group.

6. Although both School Boards serve the same general region, OCDSB receives approximately 39% less transportation funding per pupil than the Ottawa-Carleton Catholic School Board. One reason for the difference is that historical budget allocations varied between the two Boards.

7. Due to its stagnant enrolment growth rate, and its failure to close under-capacity schools, OCDSB has received only $846,000 in New Pupil Places funding over the past four years. By comparison, the Ottawa-Carleton Catholic School Board has received over $19.8 million in New Pupil Places funding during the same period, because it has successfully met Ministry funding criteria, especially involving the closing of schools.

8. While the OCDSB has a high rate of total special education pupils (among our comparison group), there is a disproportionate number of gifted pupils. If gifted pupils are excluded from its special education enrolment, the OCDSB has a relatively low proportion of special-need students.

9. The OCDSB has the second highest level of special education expenditures per pupil in our comparison group. However, the OCDSB overspends its special education funding allocations by the highest margin. (See Exhibit 11 to Appendix D, "Special Education").

B. Comparability of Data

As with all financial analysis, it is necessary to make a practical assumption that the financial data to be examined is comparable. For example, it usually is assumed that particular expenditures are consistently categorized each year. In the course of our investigation, we determined that the OCDSB's accounting policies have not been consistent from year to year. For example, the allocation of teacher costs has varied between recording them as a classroom cost or in a non-classroom category (classroom teachers vs. preparation time), and even within the classroom envelope (classroom time vs. occasional/supply teacher costs). Accordingly, caution must be exercised when interpreting individual financial statement line items, and any trends. Amendments to the numbers must be made, based on available data.

The OCDSB's accounting deficiencies may be explained by a number of factors:

1. The Ministry's accounting guidelines require interpretation and judgment in allocating revenues and costs. A clear policy does not exist for many types of transactions. Therefore, accounting judgments have varied from year to year, concerning where amounts are located in the system.

2. The Staff underwent a period of transition as the former Ottawa and Carleton School Boards were amalgamated in 1998-1999. The merger of different information systems requires a period of integration and adjustment.

3. The Staff have used different accounting policies from year to year, either as a result of error or through the process of refining accounting policies and methods. Improvements are being made over time.

A similar concern over consistency of accounting exists in our comparison of the OCDSB against other School Boards. For example, one Board may allocate extended occasional teachers to the "occasional teacher" category, while another Board may classify such costs as "classroom teacher" expenditures. Comparisons of financial results between School Boards therefore must be interpreted with such caveats in mind.

C. Historical Results

1. Expenditures[2]

Our analysis of expenditures was based upon gross expenditures, rather than net expenditures. Gross expenditures do not reflect offsetting sources of cash flows such as tuition fees, transportation recoveries, usage of reserves and similar cost-offsets. We preferred a gross expenditure analysis because we did not want to obscure expenditure decisions that have been offset by the OCDSB's usage of reserves.

There are two categories of costs that may be adversely affected by limiting our analysis to gross expenditures: continuing education and transportation. The continuing education program is designed to operate on a cost recovery basis. The gross expenditures on continuing education do not reflect the tuition fees. Transportation expenditures, and to an extent, teacher costs (for teachers on loan to other Boards) are similarly "overstated" by the amount of any cost recoveries.

Exhibit 1 (shown at the end of Appendix A) provides a summary comparing OCDSB's funding to its expenditures. We have noted that OCDSB has consistently overspent in classroom instruction.

Following the 1998-1999 amalgamation year, the 1999-2000 year evidenced a decline in overall operating expenditures. An initial attempt at cost-saving was made to reduce expenditures; significant improvements were achieved in classroom costs (in particular, teacher salaries and benefits). The reductions to teacher costs in 1998-1999, and to a lesser extent in 1999-2000 were made to comply with revised pupil teacher ratios[3]. The cost cutting effort was short lived because expenditures began to increase in 2000-2001.

---

[2] Our analysis of expenditures is based upon gross expenditures, not including the effects of transitional payments, revenue (tuition) recoveries, and the use of reserves.

[3] Overall staffing was reduced by 162 positions in 1998-1999, and by another 100 positions in 1999-2000.

Table 1 – Summary of Classroom, Non-Classroom and Gross Operating Expenditures

	1998-1999	1999-2000	2000-2001	2001-2002 Estimates
Classroom Expenditures	$ 334,131,063	$ 314,931,038	$ 320,981,465	$ 325,750,677
Non-Classroom Expenditures	$ 165,645,095	$ 178,043,827	$ 178,337,342	$ 182,332,218
Total Operating Expenditures	**$ 499,776,158**	**$ 492,974,865**	**$ 499,318,807**	**$ 508,082,895**

The initial cost reduction efforts in classroom expenditures were clearly replaced by a program restoration/maintenance philosophy as expenditures increased from 2000 onward. The spending of 2000-2001 is consistent with the current Board's position[4] or philosophy of "protecting" classroom expenditures. Any required cost reductions apparently were mainly allocated to non-classroom and/or non-instructional areas. Increasing classroom and instructional expenditures were partially offset by decreases in other expenditures, such as for teacher consultants and central administration.

Certain expenditure categories appear to have undergone significant reductions in order to fund overruns in instructional costs. In particular, computers, staff development and department head expenditures were reduced to nil in 2001-2002. Reinstatement of expenditures, albeit at reduced levels, for these categories have been arranged by the Trustees for the 2002-2003 school year.

The difference between expenditures and "regular" provincial funding in 1998 and 1999 was funded by transitional payments from the government. The "excess" expenditures of 2000-2001 were funded by transition payments and to a lesser extent by OCDSB's reserves. The excess expenditures of 2001-2002 were funded primarily by the Board's reserves that had been built up in earlier years.

---

[4] The current Board of Trustees was elected in the fall of 2000.

Despite having exhausted its transitional funding and its reserves, the Board has chosen not to curtail its spending in 2002-2003. The Board has increased its proposed operating expenditures *above* the 1998-1999 benchmark levels. It is clear that the Board not only opted against making further program reductions, but that it is committed to maintaining or perhaps increasing existing expenditures.

The accounting records and spending patterns show that the Board of Trustees that was elected in 2000 has adopted a particular philosophy of education. This philosophy is not in phase with the Province's philosophy of equality of teaching standards and funding across Ontario schools.

2. Teacher Salary Funding

A contentious issue regarding alleged under-funding is in teacher salaries. According to the Staff, the shortfall in funding of teacher costs in 2001-2002 was in the range of $17 to $26 million. Our calculations show a smaller differential. We have recalculated the funding shortfall based upon Board salary summaries prepared by the Ministry. The Ministry's analysis determines average salaries based upon each Board's actual teacher demographics and salary grids. The average salaries for each Board are compared to the provincial average, which is computed based upon the Province's "standard" salary assumptions. The percentage difference between a particular Board's average salary and that of the Provincial benchmark is further divided into two components: the percentage difference due to qualifications and experience, and the percentage difference due to the School Board's salary grid. We extrapolated the salary-funding differential from the "percentage difference due to salary grid". Based upon these summaries, which we are advised were prepared from the teacher grid information submitted by each School Board, we estimate that OCDSB's teacher salary shortfall is approximately $8 million. The total salary differential of OCDSB (including the qualifications and experience and the salary grid differences) is approximately $10.2 million.

Thus, any difference between actual teacher salaries in OCDSB and Provincial funding may not be as major an explanation of proposed OCDSB deficits as some Trustees may think. Many other expenditures make up the OCDSB's budget.

3. Transitional Funding

Since 1998, the OCDSB has received approximately $141 million in transitional and mitigation funding from the Province of Ontario. The purpose of the transitional funding was to effect the amalgamation of the Ottawa and Carleton School Boards, and to provide interim financing for programs that would have to be modified or eliminated under the post-reform education framework. The transitional payments were received by OCDSB in 1998 and 1999, and were intended to provide funding for the 1998-1999 through the 2000-2001 school years. Table 2 provides a breakdown of the transition funds that OCDSB received (Note: "GLG" indicates a General Legislative Grant).

Table 2 – Receipt of Transitional Funds

	1998-1999	1999-2000	Total
Non-GLG			
School Restructuring	$ 3,680,540		$ 3,680,540
Transition Assistance		$ 16,079,972	$ 16,079,972
GLG			
Retirement Gratuities	$ 9,328,928		$ 9,328,928
Phase-In Adjustment	$ 51,661,380	$ 25,597,961	$ 77,259,341
Stable Funding Guarantee		$ 19,017,726	$ 19,017,726
Prepaid Mitigation		$ 16,079,972	$ 16,079,972
	$ 64,670,848	$ 76,775,631	$ 141,446,479

School restructuring funds were intended to finance infrastructure modifications and improvements as part of the Ottawa and Carleton School Board amalgamation process. Retirement gratuities were provided to fund staffing reductions. The transition assistance, phase-in adjustment, stable funding guarantee and prepaid mitigation payments (collectively referred to as the "operating transitional funds") were provided to finance operating expenditures. The operating transitional funds amount to approximately $127 million. The operating transitional funds were provided to allow OCDSB to gradually bring its programs into compliance with the new Province-wide funding formula and education policies of the Ministry.

Table 3 illustrates the disbursement of the operating transitional funds.

Table 3 – Usage of Operating Transitional Funds

	1998-1999	1999-2000	2000-2001	Total
Teachers	$ 31,905,473	$ 12,759,116	$ 8,779,464	$ 53,444,053
Supply Teachers	1,408,966	1,097,656	229,419	$ 2,736,041
Teacher Assistants	1,990,711	1,597,678	629,855	$ 4,218,244
Textbooks and Supplies	1,243,384	1,171,381	1,740,483	$ 4,155,248
Computers	662,992	319,372	181,155	$ 1,163,519
Professionals	2,122,544	1,776,515	350,318	$ 4,249,377
Library and Guidance	17,893	65,405	396,194	$ 479,492
Staff Development	165,262	104,746	53,677	$ 323,685
Classroom Instruction	**$ 39,517,225**	**$ 18,891,869**	**$ 12,360,565**	**$ 70,769,659**
Preparation Time	$ 3,340,797	$ 7,500,000	$ 1,099,705	$ 11,940,502
Principals & Vice-principals	2,877,091	6,169,706	767,597	9,814,394
Department Heads	251,128	1,279,485	237,386	1,767,999
School Secretaries	2,601,907	3,611,668	1,267,699	7,481,274
Teacher Consultants	429,605	544,263	142,152	1,116,020
School Operations		4,157,032	4,152,095	8,309,127
Continuing Education	2,643,627	587,667	3,926,514	7,157,808
Transportation		1,873,997	432,057	2,306,054
Central Administration			600,000	600,000
Non-Classroom	**$ 12,144,155**	**$ 25,723,818**	**$ 12,625,205**	**$ 50,493,178**
Total Operating	**$ 51,661,380**	**$ 44,615,687**	**$ 24,985,770**	**$ 121,262,837**
Applied to non-capital reserves (used in 2001-2002)				$ 5,750,001
Total Operating (including 2001-2002) expenditures				**$127,012,838**

The allocation of the operating transitional funds varied from year to year. Generally, "classroom teachers" were the principal beneficiaries (classroom and preparation time) of the transition funds. However, various non-classroom expenditures, such as principals and vice-principals, school secretaries and school operations, consumed the majority of transitional payments in 1999-2000. According to the Staff, transitional funds were simply used to finance any (operating) cost category that exceeded its "normal" funding allocation. The operating transitional funds do not appear to have been used to finance the phasing out of services. Rather, the use of the transitional funds was determined by Trustee expenditure decisions. That is, money was spent to maintain expenditures in certain programs or areas, as opposed to seeking cost economies and efficiencies.

As the transitional payments were reduced, the OCDSB began to divert resources from non-instructional areas to fund its instructional costs. Non-capital reserves were released in 2000-2001 to partially fund the OCDSB's shortfall. The non-capital reserves were exhausted in 2001-2002.

In summary, it should have been obvious to the Trustees at least two years ago that funding would be exhausted by 2002-2003 if they continued their approach. The apparent refusal of the Trustees to accept the government's Province-wide equity philosophy of education, eventually had to lead to funding shortfalls. Accordingly, the Trustees have brought forth a crisis in 2002-2003 that is likely to seriously inconvenience students, teachers, administrators, and many others.

4. Budget Versus Actual Net Expenditures

A comparison of budgeted and actual expenditures reveals that the OCDSB has experienced some difficulty in setting reliable budgets. The OCDSB has alternately over- and under-spent its budgeted expenditures in each year since 1998-1999.

The OCDSB under-spent its 1998-1999 operating budget by approximately $6.3 million. Both classroom and non-classroom expenditures were under-spent, which may suggest that the 1998-1999 budget was overstated and that further savings could have been planned. It is interesting to note that the OCDSB overspent its budget by $6.5 million in the following year (1999-2000). The overrun in 1999-2000 was due to increased expenditures in non-classroom costs. In particular, school operation expenditures were increased significantly. The projected overrun for 2001-2002 is due to expenditures in excess of budget for classroom teachers and for principals and vice-principals.

Table 4 – Budget Versus Actual Net Expenditures

Over/(Under) Spent	1998-1999	1999-2000	2000-2001	2001-2002 Estimate
Classroom Instruction	($3,915,643)	($8,541,187)	($3,681,640)	$1,900,001
Non-Classroom	($2,423,228)	$15,108,683	$922,188	$2,524,213
Total Operating	($6,338,871)	$6,567,496	($2,759,452)	$4,424,214

Note: Based upon our discussions with the OCDSB Staff, the most recent estimate of the 2001-2002 deficit is $3.7 million. The $4.4 million deficit figure was obtained from the revised financial estimates of the OCDSB, which were prepared in December 2001.

Contrary to our expectations, the Board has under-spent its classroom expenditure budget (with the exception of the 2001-2002 estimates). A recurring under-spending trend in classroom expenditures suggests that excess budget dollars have been allocated to classroom costs in each year. However, upon closer inspection of the individual cost categories, such conclusions may not be valid. For example, there appears to have been a change in the classification of teacher costs between "classroom teachers" and "preparation time" (a non-classroom expenditure) in 1999-2000. A $9 million decrease in "classroom teachers" costs and an $8 million increase in "preparation time" occurred in 1999-2000. The over/under trends in budgeted versus actual expenditures are likely to be obscured, in part, by inconsistent accounting policies.

If the budget variances of 1999-2000 and 2000-2001 are accepted at face value, a possible interpretation is that classroom expenditures were over-budgeted by the Staff, and perhaps Trustees. We understand that the Board of Trustees favoured reductions to non-classroom expenditures rather than cutting back on classroom spending. Thus, non-classroom expenditures were reduced according to approved budgets. The actual results reflect the later re-allocation of funds from classroom to non-classroom activities. The long-term operational effects of the re-allocation of funds do not appear to have been adequately communicated to the parents.

5. Allocation Versus Gross Operating Expenditures

In our comparison of allocation (funding) and gross operating expenditures, we noted that classroom instruction expenditures, particularly teacher costs, were consistently overspent relative to allocated amounts.

To compensate for the excess of classroom costs over allocations, expenditures in other areas were reduced. At various times, categories such as textbooks and supplies, computers and staff development have been under-spent (relative to their funding allocations).

Table 5 – Allocations (Funding) Versus Expenditures

Over/(Under) Spending	1998-1999	1999-2000	2000-2001	2001-2002 Estimate	2002-2003 Budget
Classroom Instruction	1,254,654	11,520,034	14,251,910	8,263,998	35,304,091
Non-Classroom Instruction	(2,250,875)	(1,578,746)	3,454,696	15,415,016	958,599
Administration	(1,224,947)	(525,451)	(219,730)	(795,089)	(2,488,117)
Facilities	987,015	(5,643,575)	(631,747)	(4,016,658)	(3,989,344)
Continuing Education	3,973,354	5,055,233	3,940,946	3,965,991	4,055,978
Transportation	(27,829)	(3,595,784)	(881,552)	(109,556)	(765,681)

Note: Table 5 compares total allocations to gross expenditures. Continuing education is funded to a significant extent by tuition fees. A comparison of total allocations against net expenditures would indicate that continuing education is (or will be) operating within its funding allocation.

We note that over the five year period, administration, facilities and transportation allocations have been subject to the longest, and largest, expenditure reductions. Continued reallocations of funds from these areas may have long-term implications.

D. Comparisons to Other School Boards

In order to evaluate the relative performance of OCDSB to its peers, we compared certain financial and operating results of the OCDSB to several other Boards. The School Boards that were used for comparison include:

a. Durham District School Board ("Durham DSB")
b. Ottawa-Carleton Catholic School Board ("Ottawa-Carleton SB ")
c. York Region District School Board ("York Region DSB")
d. Peel Region District School Board ("Peel DSB")

Financial results for the Province of Ontario have been compared where appropriate and where the required information was available.

The comparison School Boards were selected on the basis of the following factors:

a. Enrolment
b. Geographic profile of district (urban/suburban/rural)
c. Large Southern Ontario public Boards
d. Number of special education students
e. Number of schools
f. Operating revenue

1. Operating Expenditures Versus Operating Funding Allocations

Table 6 sets out the gross operating expenditures and funding allocations of each Board on a per pupil basis. We have used the average daily enrolment ("ADE") for the number of pupils.

Table 6 – Gross Operating Expenditures and Operating Funding per Pupil (ADE)

Operating Expenditures	1998-1999	1999-2000	2000-2001	2001-2002 Estimate
Ottawa-Carleton	**$ 6,797.38**	**$ 6,688.63**	**$ 6,741.22**	**$ 6,862.56**
Durham	$ 5,846.48	$ 5,896.98	$ 6,060.43	$ 6,149.36
York	$ 5,959.10	$ 5,922.96	$ 6,165.83	$ 6,182.92
Peel	$ 6,320.55	$ 6,090.31	$ 6,239.04	$ 5,993.55
Ottawa-Carleton SB	$ 6,433.80	$ 6,587.62	$ 6,735.25	$ 6,783.91
Province of Ontario	$ 6,065.98	$ 6,092.15	$ 6,188.19	$ 6,295.84

Operating Allocations	1998-1999	1999-2000	2000-2001	2001-2002 Estimate
Ottawa-Carleton	**$ 6,760.51**	**$ 6,617.65**	**$ 6,258.09**	**$ 6,351.68**
Durham	$ 5,818.42	$ 5,781.36	$ 5,962.38	$ 6,050.01
York	$ 5,931.33	$ 5,846.33	$ 6,059.80	$ 6,112.01
Peel	$ 6,194.64	$ 6,012.65	$ 6,193.87	$ 5,987.99
Ottawa-Carleton SB	$ 6,293.10	$ 6,249.84	$ 6,543.60	$ 6,652.35
Province of Ontario	$ 6,097.12	$ 6,127.30	$ 6,204.13	$ 6,299.05

With the exception of the Ottawa-Carleton Catholic School Board in recent years, the OCDSB has received more operating funding allocations per student than the other Boards. The higher funding may be explained in part by OCDSB's various "extra" programs that attract additional funding. For example, French and English Second Language programs are eligible for specific additional funding under the General Legislative Grant model. Similarly, special education and adult education students qualify for supplementary funding. Thus, OCDSB's comparatively higher number of students in "specially funded" programs have contributed to OCDSB's comparatively higher level of funding on a per student basis.

However, we also note that OCDSB has spent more per student than each of the comparison School Boards. It appears that the cost of the various extra programs offered by the OCDSB exceed the incremental funding that is provided for these extra service programs. Possible explanations for the overspending of funding allocations for special programs for OCDSB include:

a. Choice of delivery methods: congregated or separate classes versus integrated classes.

b. Staffing: Number and qualifications of instructional staff, including teaching assistants.

c. Resources: Non-instructional support, including staff psychologists, speech therapists, social workers and similar.

Table 6 illustrates that the Ottawa-Carleton Catholic School Board has exceeded the OCDSB in funding on a per pupil basis in recent years. According to Reality Check, a publication of the Ottawa-Carleton Catholic School Board, its increased funding may be explained by the following:

a. It has successfully restructured its programs and services to qualify for additional funding grants that are available under the Provincial funding model.

b. Its enrolment has increased since 1997 (while OCDSB's enrolment has remained relatively flat).

c. It has been able to qualify for specific funds for special education (the McHugh Education Centre) and transportation.

A comparison of the expenditures and allocations for each Board in Table 6 suggests that expenditures in excess of allocations, is a common challenge for all Boards. However, Table 7 shows that OCDSB has been overspending at proportionately higher rates than the comparison Boards. We also note that operating funding has exceeded operating expenditures on a Province-wide basis.

Table 7 – Gross Operating Expenditures in Excess of Operating Funding Allocations (as a % of Allocations)

Over/(Under) Spending	1998-1999	1999-2000	2000-2001	2001-2002 Estimate
Ottawa-Carleton	**0.55%**	**1.07%**	**7.72%**	**8.04%**
Durham	0.48%	2.00%	1.64%	1.64%
York	0.47%	1.31%	1.75%	1.16%
Peel	2.03%	1.29%	0.73%	0.09%
Ottawa-Carleton Catholic	2.24%	5.40%	2.93%	1.98%
Province of Ontario - all Boards	(0.5%)	(0.6%)	(0.3%)	(0.1%)

Durham and York have remained relatively stable at a spending-funding differential of approximately 1% to 2%. The Peel DSB and the Ottawa-Carleton Catholic School Board have actually reduced their differential in recent years. In contrast, OCDSB has increased its expenditures per student, apparently without regard to its declining funding levels, caused by its usage of $140 million of transition funding. In the past two years, OCDSB has significantly increased the margin by which its expenditures exceed its funding. The apparent shift in fiscal/expenditure philosophy can be first observed in the 2000-2001 school year, with the appearance of a new Board of Trustees.

OCDSB's spending characteristic, compared to the other Boards in our review, may be summarized as follows:

a)O CDSB spends the most.
b) OCDSB is one of the highest-funded Boards.
c)O CDSB outspends its funding by the highest margin.

2. Pupil Teacher Ratios ("PTR")

To evaluate OCDSB's staffing efficiency we compared the PTR of the various School Boards. We computed the PTR by dividing the total Average Daily Enrolment ("ADE") of each Board by the sum of the following staff categories:

a) Classroom teachers
b) Library teachers
c) Guidance teachers
d) Principals' and vice-principals' instruction time

Table 8 – Comparison of Pupil Teacher Ratios

	1998-1999	1999-2000	2000-2001	2001-2002	Average
Ottawa-Carleton	**16.30**	**16.35**	**16.79**	**16.78**	**16.55**
Durham	17.64	17.42	17.56	17.49	17.53
York	18.13	18.31	17.91	17.75	18.02
Peel	16.73	16.99	17.30	17.83	17.21
Ottawa-Carleton Catholic	16.72	16.51	16.84	16.99	16.77
Province of Ontario	n/a	n/a	n/a	n/a	n/a

Based upon our review, OCDSB's PTR has consistently been the lowest of the comparison group. It is interesting to note that the two Ottawa-Carleton School Boards have the lowest PTR of the comparison group. York DSB experienced a dramatic decrease in PTR in 2001-2002. York reported a significant increase in the number of teachers in 2001.

Factors that explain OCDSB's low PTR include:

a) The delivery of gifted and other special education programs in a congregated environment (i.e., congregated class sizes are typically smaller than regular classes).

b) The offering of multiple entry points for French immersion classes.

c)S chools with severely below-capacity enrolment have not been closed.

E. Conclusion

Based on our financial analysis, OCDSB decreased its expenditures from 1998 to 2000 presumably in an attempt to transition to the Ministry's new funding formula applicable across the Province, which was designed to equalize educational opportunity. However, from 2000 onward, OCDSB's expenditures have increased. The current Board of Trustees was elected in December 2000, and would seem to have brought with them a different philosophy of education to what the government specifies.

It is hardly surprising, therefore, that a financial crisis would arise after the $140 million of transitional funding had been expended. In the past two years, little expenditure occurred in transitioning OCDSB to the Province-wide education system.

APPENDIX A
EXHIBIT 1

OTTAWA-CARLETON DISTRICT SCHOOL BOARD
FUNDING VS. EXPENDITURE FOR 2002-2003

Purpose:
The following schedule compares OCDSB's funding to its expenditures for each category. We have calculated the amount of over/under-spending for each category.

												Proposed		
	1998-1999 Total Funding	1998-1999 Gross Expend.	1998-1999 (Over)/Under	1999-2000 Total Funding	1999-2000 Gross Expend.	1999-2000 (Over)/Under	2000-2001 Total Funding	2000-2001 Gross Expend.	2000-2001 (Over)/Under	2001-2002 Total Funding	2001-2002 Gross Expend.	2001-2002 (Over)/Under	2002-2003 Total Funding	2002-2003 Gross Expend.	2002-2003 (Over)/Under
Classroom Instruction	332,876,409	334,131,063	(1,254,654)	303,411,004	314,931,038	(11,520,034)	306,729,555	320,981,465	(14,251,910)	317,486,679	325,750,677	(8,263,998)	304,628,708	339,932,799	(35,304,091)
Non-Classroom Instruction	80,238,999	77,988,124	2,250,875	86,256,753	84,678,007	1,578,746	77,190,748	80,645,444	(3,454,696)	72,932,343	88,347,359	(15,415,016)	85,239,931	86,198,530	(958,599)
Administration	14,677,831	13,452,884	1,224,947	14,722,110	14,196,659	525,451	14,570,249	14,350,519	219,730	14,472,959	13,677,870	795,089	14,863,003	12,374,886	2,488,117
Facilities - School Operations	42,223,442	43,210,457	(987,015)	55,679,685	50,036,110	5,643,575	54,592,765	53,961,018	631,747	53,975,093	49,958,435	4,016,658	55,043,188	51,053,844	3,989,344
Continuing Education	4,826,638	8,799,992	(3,973,354)	3,141,050	8,196,283	(5,055,233)	3,594,875	7,535,821	(3,940,946)	3,801,909	7,767,900	(3,965,991)	2,769,547	6,825,525	(4,055,978)
Transportation	22,221,467	22,193,638	27,829	24,532,552	20,936,768	3,595,784	22,726,092	21,844,540	881,552	22,690,210	22,580,654	109,556	23,411,757	22,646,076	765,681
Capital and Debt Charges	9,344,937	18,069,496	(8,724,559)	9,306,967	9,306,967	-	10,287,335	10,287,335	-	9,992,394	10,395,159	(402,765)	8,600,000	12,109,829	(3,509,829)
School Renewal	7,239,814	8,560,742	(1,320,928)	8,852,294	9,988,816	(1,136,522)	9,583,069	9,308,900	274,169	9,730,505	9,948,047	(217,542)	9,763,734	9,948,047	(184,313)
New Pupil Places		-	-		429,987	(429,987)		2,356,428	(2,356,428)	846,181	1,045,489	(199,308)	777,286	610,464	166,822
Total	513,649,537	526,406,396	(12,756,859)	506,069,237	512,700,635	(6,631,398)	499,441,510	521,438,292	(21,996,782)	506,095,095	529,471,590	(23,376,495)	505,097,154	541,700,000	(36,602,846)

Note:

The above figures indicate that the OCDSB's expenditures are greater than its funding for each year.
The above schedule does not include other cash received by the OCDSB, such as fee revenues.

APPENDIX B

STAFF-RECOMMENDED BUDGET REDUCTIONS/(INCREASES) VERSUS BOARD OF TRUSTEES-APPROVED BUDGET REDUCTIONS/(INCREASES)

This Appendix analyzes the efforts of both the Staff and the Trustees (from 1998-1999 to 2002-2003) in addressing the Province's change to a different education funding formula. The Appendix evaluates the decisions that were made by the Trustees regarding the use and allocation of the available financial resources, including the transitional funds that were provided by the Province.

We have relied upon the OCDSB Staff to categorize the recommended and approved budget reductions into the following spending categories:

a. instruction,
b. special education,
c. continuing education,
d. transportation,
e. pupil accommodation,
f. central administration, and
g. other.

We have made the practical assumption that the data contained in each spending category from year to year is sufficiently comparable. (See Appendix A)

Exhibit 1 to Appendix B (shown at the end of Appendix B) includes our detailed analysis and comparison of the Staff-recommended budget reductions versus the Trustee-approved budget reductions for the 1998-1999 to 2002-2003 school years, on an itemized basis. This Appendix also includes summary tables of the detailed financial analysis that is included in Exhibit 1 to Appendix B. The Exhibit may be used as an aid to the analysis that is discussed herein.

Table 1 – A Summary of the Staff-Recommended Budget Reductions Versus the Board of Trustees – Approved Budget Reductions from 1998-1999 to 2002-2003

Spending Envelope	Staff-Recommended Budget Reductions	Board of Trustees – Approved Budget Reductions	Difference	Percentage of Recommended Budget Reductions Approved by the Trustees
Instruction	$54,202,000	$53,339,000	$863,000	98%
Special Education	$26,385,000	$4,603,000	$21,782,000	17%
Continuing Education	$1,385,000	$950,000	$435,000	69%
Transportation	$8,970,000	$2,240,000	$6,730,000	25%
Pupil Accommodation	$15,870,000	$10,444,000	$5,426,000	66%
Central Administration	$8,910,000	$11,284,000	($2,374,000)	127%
Other	$685,000	$685,000	$0	100%
TOTAL	**$116,407,000**	**$83,545,000**	**$32,862,000**	**71%**

1. Overall Analysis

Table 1 indicates that the Staff recommended approximately $116 million in net budget reductions from 1998-1999 to 2002-2003 ("the period of investigation"). During that period the Trustees approved and adopted only $84 million of the Staff-recommended net budget reductions. Some of the Staff's recommendations were made more than once. Moreover, during the same period, the OCDSB spent an additional $127 million (see Table 3 of Appendix A) in transitional funds that were provided by the Province, on programs that were not related to the transition. Hence, the Trustees approved only $84 million in net budget reductions during the period of investigation, but total spending actually increased over the same period as a result of the use of the additional transitional funds of $127 million. Important decisions were not made by the Trustees to ensure that the OCDSB's expenditures were effectively aligned with the Province's new funding formula, which was designed to produce financial and student education equity across the Province. The unwillingness of the Trustees to approve budget reductions over the transition period of our investigation has contributed significantly to the *OCDSB's* current financial position (i.e., the 2002-2003 budget deficit).

For the period of investigation, the Trustees approved only 71% of the Staff-recommended net budget reductions. The 71% is somewhat skewed because the Trustees made extra budget reductions in the central administration area (i.e., cost savings that were not recommended by the Staff). These additional reductions helped compensate for the budget changes that the Trustees did not approve in other areas, such as for school closures and transportation. Short-term and temporary budget reductions were made to some areas instead of adopting long-term cost savings for certain programs and services. Such reductions would have served to improve OCDSB's overall financial position throughout the transition years.

It is important to note that many of the Trustee-approved reductions occurred shortly after the amalgamation, when duplication was evident. Appendix B delves into the year-by-year effects.

During our investigation we noted a significant difference between the dollar amount of the budget reductions that were made by the first group of Trustees versus the second group of Trustees. The second group of Trustees took office in late 2000 and thus were involved in the 2001-2002 and 2002-2003 budget processes. Our analysis showed that the first group of Trustees approved approximately 87% of the Staff-recommended net budget reductions (i.e., $66 million in Staff-recommended budget reductions compared to $57.6 million in Trustee-approved budget reductions). Meanwhile, the second group of Trustees approved only 51% of the Staff-recommended budget reductions (i.e., $50.3 million in Staff-recommended budget reductions compared to $25.9 million in Trustee-approved budget reductions). Transitioning to the Province-wide standards would have required an adoption by the Trustees of much higher than 51%.

One of the first resolutions of the new Board of Trustees was to re-open five (5) schools that had been approved for closure by the previous Board of Trustees. From the outset of their term, the current group of Trustees appeared to have a much different philosophy of spending than that of the predecessor Trustees.

During the period 1998-1999 to 2002-2003 the Staff considered an additional $73 million (see Table 7 to Appendix B for further analysis) in budget reductions that they did not recommend to the Trustees, for various reasons. According to the Staff, one major reason for not recommending the $73 million of cost savings was that certain ideas were unlikely, in their opinion, to be seriously considered by the Trustees. Thus, Table 1 could be revised to include the $73 million of unpresented reductions. If so, the 71% Trustee-approval percentage would drop below 45%.

An important responsibility of the Staff is to explore and propose, to the Trustees, efficient and effective program delivery options taking into account the School Board's available resources. We have included additional analyses of the $73 million in non-recommended budget reductions in Table 7. Approximately $50 million of these "non-recommended" reductions relate to the 2002-2003 budget year. Thus, the Trustee-approval rate of 51% for the new Board would drop appreciably.

The figures speak for themselves. The new Board of Trustees that was elected in 2000 seemingly adopted a general position of not accepting many of the Staff-recommended budget changes. (See Appendix H for a partial explanation of Trustee actions.) In doing so, these Trustees apparently chose to not accept Ontario's Province-wide standards.

2. Summary of Each Spending Category

a. Instruction

During the period of investigation, the Staff recommended approximately $54 million in budget reductions to the area of instruction. The Trustees approved virtually all of these recommended reductions.

b. Special Education

In the proposed 2002-2003 budget, the Staff recommended approximately $26.3 million in budget reductions to the area of special education. The Trustees approved only $4.6 million in recommended budget reductions. In essence, almost $22 million of the $26.3 million in Staff-recommended budget reductions to the special education budget were not approved by the Trustees.

c. Continuing Education

The Staff recommended approximately $1.4 million in budget reductions to the area of continuing education. The Trustees approved $0.95 million of the Staff-recommended reductions during the period of investigation.

d. Transportation

The Staff recommended approximately $9 million in budget reductions to the area of transportation. The Trustees approved only $2.2 million of the Staff-recommended reductions.

e. Pupil Accommodation (Facilities)

The Staff recommended approximately $16 million in budget reductions to the area of accommodation. The Trustees approved only $10 million of the Staff-recommended reductions.

f. Central Administration

The Staff recommended approximately $9 million in budget reductions to the area of central administration. The Trustees approved $11.2 million in budget reductions to the area of central administration, some $2.2 million in excess of Staff recommendations. It is interesting to note that central administration is the only major cost area over a several year total period where the Trustees decided to approve more overall budget reductions than were recommended by the Staff.

Table 2 - Comparison of Staff-Recommended Budget Reductions Versus the Board of Trustees – Approved Budget Reductions in 1998-1999

Spending Envelope	Staff-Recommended Budget Reductions	Board of Trustees - Approved Budget Reductions	Difference	Percentage of Recommended Budget Reductions Approved by the Trustees
Instruction	$12,946,000	$13,558,000	($612,000)	105%
Special Education	$5,205,000	$587,000	$4,618,000	11%
Continuing Education	$1,202,000	$766,000	$436,000	64%
Transportation	$1,495,000	$1,480,000	$15,000	99%
Pupil Accommodation	$12,090,000	$12,065,000	$25,000	99%
Central Administration	$5,949,000	$5,898,000	$51,000	99%
TOTAL	**$38,887,000**	**$34,354,000**	**$4,533,000**	**88%**

1. Overall Analysis (1998-1999)

During the 1998-1999 budget process, the Staff recommended approximately $38.9 million in net budget reductions and the Trustees approved $34.4 million in net budget reductions. The difference was primarily caused by the Trustees approval of only $0.6 million of the Staff-recommended $5.2 million in reductions to the area of special education. Each spending category is further analyzed below. But eventually, change would become necessary.

The 1998-1999 year was the first for transitioning to the new Provincial funding basis. The ability of the special education students to be able to adapt to change has to be considered in any interpretations of the data. But eventually, change would become necessary.

2. Summary of Each Spending Category

a. Instruction

The majority of recommended and approved budget reductions to the area of instruction in 1998-1999 were not made to classroom teachers, but rather were directed to librarians, adult education, and department heads. Approximately $5 million of the budget reductions were a result of a favourable salary differential due to the early retirement of many higher-paid teachers.

b. Special Education

The Ottawa and Carleton School Boards had much different approaches to the delivery of special education programs. We understand that the Staff decided to recommend changes to the delivery of the amalgamated special education program with the goal of improving the effectiveness and efficiency overall. The Staff's recommendations included the elimination of 54 full time equivalent ("FTE") positions. Many of the positions recommended for elimination were to professional staff such as psychologists, social workers and speech pathologists.

The Trustees did not approve any budget reductions to the core special education programs. The Trustees also failed to approve a budget reduction for the summer school program that was offered to developmentally-disabled students. Only 11% of the recommended budget reductions to special education were approved by the Trustees. Alternative delivery systems could have been considered by the Trustees and investigated in detail.

c. Continuing Education

The Staff recommended a budget reduction of $1 million to the continuing education program. The Trustees approved only about one-half of the recommended reductions. The Staff also recommended a reduction in the number of principals (by one) in continuing education, and a reduction for the extra-curricular creative arts programs. The Trustees approved these recommendations.

d. Transportation

The Staff recommended approximately $1.5 million in budget reductions to transportation, all of which were approved by the Trustees. Most of the budget reductions in this area were achieved by eliminating transportation for secondary school students in the urban transit area ("UTA").

e. Pupil Accommodation (Facilities)

During the 1998-1999 budget process, the Staff undertook a comprehensive study that was designed to restructure and reorganize custodial and maintenance services across the OCDSB. The Staff's recommendation included eliminating a significant number of custodians and site supervisors, as well as "sharing" custodians between certain schools. In total, the Staff estimated that they could achieve approximately $12 million in cost efficiencies as a result of the proposed restructuring.

The Trustees considered the Staff's recommendations and decided to approve virtually all of the recommended budget reductions. However, in the 1999-2000 budget, the Trustees approved the reinstatement of $9 million in spending for the custodial budget.

In effect, only $2 million of the total $11 million in approved budget reductions in 1998-1999 were actually maintained for longer than the first year. Both the Staff and Trustees agreed that they had gone "too far" in their budget reductions in the custodial area for the 1998-1999 budget year. Our investigations have revealed that there have not been any material reductions made to the custodial budget in the subsequent years.

f. Central Administration

The Staff proposed approximately $6 million of budget reductions in the central administration area. The Trustees approved most of the Staff's recommended budget reductions. Many reductions were in the areas of human resources ($1.1 million), information technology ($1.2 million), and finance and administration ($1.4 million).

Table 3 - Comparison of Staff-Recommended Budget Reductions Versus the Board of Trustees – Approved Budget Reductions in 1999-2000

Spending Envelope	Staff-Recommended Budget Reductions	Board of Trustees - Approved Budget Reductions/ Increases	Difference	Percentage of Recommended Budget Reductions Approved by the Trustees
Instruction	$8,261,000	$9,961,000	($1,700,000)	121%
Special Education	$7,200,000	$3,200,000	$4,000,000	44%
Continuing Education	$0	$0	$0	-
Transportation	$525,000	$525,000	$0	100%
Pupil Accommodation	($7,000,000)	($8,750,000)	$1,750,000	125%
Central Administration	$0	$100,000	($100,000)	-
TOTAL	**$8,986,000**	**$5,036,000**	**$3,950,000**	**56%**

1. Overall Analysis (1999–2000)

During the 1999-2000 budget process, the Staff recommended approximately $18 million in total budget reductions and $9 million in net budget reductions (i.e., including the $9 million in recommended budget increases to the accommodation budget). The Trustees approved only $5 million in net budget reductions. The difference between recommended and approved cost savings was due to the Trustees having approved only $3.2 million of the $7.2 million in Staff-recommended budget reductions to special education.

2. Summary of Each Spending Category

a. *Instruction*

The Staff recommended approximately $8.3 million in cost improvements for instruction. The Trustees actually approved approximately $10 million of efficiencies. The majority of the Staff-recommended and Trustee-approved savings were in the area of elementary and secondary school classroom teachers, where cost benefits of $7 million were realized. The Staff's proposed cost improvements for classroom teachers translated into a decrease of 0.5 to 0.75 teachers for each school. (Under Provincial legislation, class sizes were changed to 24.5:1 at the Elementary level, and 22:1 at the Secondary level.) In essence, $7 million of the $10 million in approved budget cost reductions by the Trustees was artificial because adequate Provincial funding was provided for the transition.

The Trustees did not approve $2.1 million in recommended economies to the English As A Second Language (ESL) program. However, the Trustees decided to unilaterally approve an additional $2 million in savings to the occasional teacher budget (supply teachers) and an additional $1.8 million in budget improvements in the area of instructional supplies.

b. Special Education

The Staff's recommended cost improvements of $7.2 million were proposed in the context of the new delivery model that was designed by the Staff and outlined in the document "OCDSB Special Education/Student Services Program Delivery Model and Costing for 1999-2000". The new service delivery model included proposals for a more "inclusive environment" for special-needs students. The proposed budget reductions included the elimination of some professional staff such as psychologists and social workers, but provided for the hiring of eight additional educational assistants. The Trustees approved only $3.2 million of the proposed budget efficiencies to special education. They also approved a motion to transfer a total of $4 million in operating surplus (working fund reserve) to special education. Thus, the cost savings were more than negated.

c. Continuing Education

No budget reductions were recommended by the Staff or approved by the Trustees in the area of continuing education.

d. Transportation

The Staff-recommended budget reductions of approximately $0.5 million were in the area of transportation, and were fully approved by the Trustees. The savings were primarily achieved by reallocating routes, changing some school start times, and maximizing the efficiency of buses by having certain buses complete up to four runs a day.

During the budget process, one Trustee proposed a motion that would have seen the transportation service for secondary school students within the Urban Transit Area (UTA) be restored, which would have resulted in increased expenditures of approximately $1.2 million. The Trustee reasoned that (i) the OCDSB was losing students to the Ottawa-Carleton Catholic School Board as a result of having an inferior transportation service and (ii) that the loss of students was costing the OCDSB more money then they were saving by reducing transportation expenditures. The Trustees did not provide any evidence or support for such allegations. Ultimately, the motion was defeated and transportation was not restored for secondary school students (except those with special needs) within the UTA.

e. Pupil Accommodation (Facilities)

In 1999-2000, the Trustees approved an increase in facility expenditures of $9 million (i.e., custodial budget). As part of the 1998-1999 budget, the Trustees had approved an $11 million budget reduction. The Staff and the Board of Trustees reached a consensus that the 1998-1999 budget reductions were too extensive and more funds had to be invested in the facilities area. A total of $2 million of increased spending was earmarked for a facilities renewal program. Certain schools were to be upgraded in order to satisfy the present and future needs of the students and staff. The remaining $7 million was earmarked for an increase to custodial and maintenance staff, in order to improve the level of service.

As part of the 1999-2000 budget process, the Staff completed Phase 1 of the area review process ("ARP"). Phase 1 included a Board-wide comprehensive study that would enable the OCDSB to reduce its excess capacity by approximately 2,000 students. In essence, the Staff conducted a study to determine whether any schools should be closed, and if so, what should be the process for reallocating students to other surrounding schools. Phase 1 recommended the closure of four (4) elementary schools and one (1) secondary school. The Staff reasoned that the closure of the five schools would move the OCDSB closer to eligibility for grants for new pupil places. Annual savings of approximately $2 million were expected.

The issue of school closures was, and continues to be, debated among the Trustees. Ultimately, the Trustees approved the closure of only one (1) elementary school, resulting in expected cost savings of $250,000, as opposed to $2 million (if OCDSB had closed all five (5) schools). The Trustees were primarily concerned with the disruption that would be caused to students, the distance some students would have to travel to the new schools, and the importance of certain schools to the local community. In the minds of the majority of Trustees, the foregoing concerns appear to have outweighed the financial problems that were facing the OCDSB.

f. Central Administration

No budget reductions were recommended by the Staff.

Table 4 - Comparison of Staff-Recommended Budget Reductions Versus the Board of Trustees – Approved Budget Reductions in 2000-2001

Spending Envelope	Staff-Recommended Budget Reductions	Board of Trustees - Approved Budget Reductions	Difference	Percentage of Recommended Budget Reductions Approved by the Trustees
Instruction	$15,307,000	$15,607,000	($300,000)	102%
Special Education	$1,900,000	$1,500,000	$400,000	79%
Continuing Education	$0	$0	$0	-
Transportation	$0	$0	$0	-
Pupil Accommodation	$1,000,000	$1,000,000	$0	100%
Central Administration	$0	$130,000	($130,000)	-
TOTAL	**$18,207,000**	**$18,237,000**	**($30,000)**	**100%**

1. Overall Analysis (2000-2001)

During the 2000-2001 budget process, the Staff recommended approximately $18.2 million in net budget reductions and the Trustees approved virtually all of them.

2. Summary of Each Spending Category

a. Instruction

The Staff recommended a total of $15.3 million of cost savings in the area of instruction. The Trustees approved most of the Staff's recommendations, and also approved minor budget reductions in some other areas within the instruction category. A total of $3.8 million was recommended by the Staff as reductions to ESL programs. However, the Trustees approved only $2.8 million. Another $1 million was reduced from the occasional teacher budget, $1 million from the secondary school reform budget (i.e., the elimination of the OAC level), and a $0.7 million reduction to the school operating budgets. However, the largest source of cost savings was a $6.8 million budget reduction as a result of overall lower teacher salaries that arose from the accelerated retirement of older teachers. Hence, the bulk of budget reductions (i.e., $6.8 million) was achieved without having to eliminate any particular services or programs.

b. Special Education

The Staff appears to have recognized, and communicated to the Trustees, that the OCDSB was spending over the allocated funding for the area of special education. Thus, the Trustees had to move closer to the funding that was being received, because transition funding was expected to be exhausted after the 2000-2001 school year. Nevertheless, all necessary steps and tough decisions were not made by the Trustees as part of the 2000-2001 budget process. In fact, only $1.5 million out of the $1.9 million in recommended cost savings to special education were approved by the Trustees. Meanwhile, the 2000-2001 budget approved the use of $8.7 million in transitional funds to maintain the existing level of special education programs. Thus, the cost savings did not occur, and further spending took place.

With respect to the 2000-2001 budget process, it appears to us that neither the Staff nor the Trustees were prepared or willing to make the tough decisions. Reductions in expenditures were necessary to improve the efficiency of OCDSB's special education programs.

c. Continuing Education

No budget reductions were recommended by the Staff or approved by the Trustees in the area of continuing education.

d. Transportation

No budget reductions were recommended by the Staff or approved by the Trustees in the area of transportation.

e. Pupil Accommodation (Facilities)

The Staff recommended $1 million in reductions to the provision for uninsured losses. The OCDSB's property insurance policy does not cover losses from thefts and accidents below the policy deductibles. Therefore, the OCDSB established a provision for uninsured losses each year to cover such costs. However, based upon historical experience, the Staff recommended that the provision for uninsured losses could reasonably be reduced by $1 million.

f. Central Administration

The Staff did not recommend any budget reductions to the central administration budget. Nevertheless, the Trustees approved a $100,000 reduction in the overall operating budget for central administration.

Table 5 - Comparison of Staff-Recommended Budget Reductions (Increases) Versus the Board of Trustees – Approved Budget Reductions in 2001-2002

Spending Envelope	Staff-Recommended Budget Reductions (Increases)	Board of Trustees - Approved Budget Reductions (Increases)	Difference	Percentage of Recommended Budget Reductions Approved by the Trustees
Instruction	$8,323,000	$8,393,000	($70,000)	101%
Special Education	$100,000	($684,000)	$784,000	(684%)
Continuing Education	$183,000	$183,000	$0	100%
Transportation	($300,000)	($300,000)	$0	-
Pupil Accommodation	$4,899,000	$4,824,000	$75,000	98%
Central Administration	$2,781,000	$3,612,000	($831,000)	130%
Other	$685,000	$685,000	$0	100%
TOTAL	**$16,671,000**	**$16,713,000**	**($42,000)**	**100%**

1. Overall Analysis (2001-2002)

During the 2001-2002 budget process, the Staff recommended approximately $16.6 million in net budget reductions and the Trustees approved $16.7 million in net budget reductions. The overall difference was caused by the Trustees having approved an additional $0.8 million in budget reductions to the central administration budget.

2. Summary of Each Spending Category

a. Instruction

The Staff recommended total budget reductions in the instruction area of $8.3 million. All of the Staff-recommended budget reductions were approved by the Trustees. As in prior years, the majority of the budget reductions ($4.5 million) were caused by a favourable salary differential for classroom teachers as a result of early teacher retirements and general teacher turnover (i.e., $4.2 million from salary differential and $0.3 in gratuity payment savings) and were not the result of efficiency improvements. The Trustees also approved a total of $2.4 million in reductions to the occasional teacher budget and a $1.2 million reduction in benefit costs.

b. Special Education

The Staff recommended a decrease of $100,000 in the budget for "home instruction" costs. The Staff also suggested that the Board's policies and procedures relating to "home instruction" should be more closely monitored to ensure that only students who qualify are receiving the service. The Trustees approved the budget reduction to home instruction.

Furthermore, on June 21, 2001, the Trustees passed a motion to increase the special education budget by $784,000. The increased spending in special education was to be allocated to psychologist salaries, educational assistant salaries, special congregated classes and other special education services. Hence, the Trustees approved a net increase in the special education spending envelope of $684,000 in 2001-2002.

It is important to note that no additional transitional funds were provided by the Ministry in 2001-2001 and that the OCDSB's planned expenditures were not consistent with the available funding and the Province's educational equity policies. Yet, neither the Staff nor the Trustees appear to have taken the necessary steps to address the problem. However, the Staff did "consider" an additional $2.3 million in budget reductions to special education that were not ultimately recommended to the Trustees. According to the Staff, the Trustees had previously clearly communicated that they would not consider any significant reductions to special education. Thus, the Staff was reluctant to recommend any additional budget reductions to special education. In our view, it is the Staff's job to recommend all legally and logistically feasible alternatives to the Trustees.

c. Continuing Education

The Staff recommended the closure of one of the OCDSB's two outdoor education centres. The Staff investigated both the MacSkimming Centre and the Bill Mason Centre and determined that the MacSkimming Centre had the most potential to eventually recover operational costs from user fees. Hence, the Staff recommended that the Bill Mason centre be closed, resulting in estimated savings of $180,000 annually. The Trustees approved the closure of the Bill Mason centre. However, it is interesting to note that the Bill Mason centre was not actually closed during the 2001-2002 school year. In fact, the closure of the Bill Mason centre appears again in the Staff's 2002-2003 proposed budget reductions. Therefore, the original closure decision was not actually executed (see Appendix D).

d. Transportation

The Staff recommended, and the Trustees approved, additional spending of $300,000 in transportation for the 2001-2002 school year. Based on our review of the budget information and related minutes it is not clear how the increased spending was allocated.

e. Pupil Accommodation (Facilities)

The Staff recommended approximately $4.9 million in budget cost improvements and the Trustees approved many of the proposed changes. Most of the savings arose from the termination of projects that had been financed from allocated reserves and transitional funds. Hence, the savings were not the result of efficiency gains. Rather, they arose from no longer having the necessary reserves to fund expenditures in the facilities area. Specifically, in the 2001-2002 school year, a total of $2 million was allocated from reserves to renovate secondary school laboratories, and a total of $1.6 million was used for building renovations. The Staff recommended budget reductions also consisted of a $1 million reduction for computer leasing contracts.

f. Central Administration

The Staff recommended a total of $2.8 million in budget reductions and the Trustees approved a total of $3.6 million budget cost decreases to central administration. The approved budget reductions affected the operating budgets of many of the central departments. Human resources and finance were the departments that bore the majority of the budget cost decreases.

Table 6 - Comparison of Staff-Recommended Budget Reductions Versus the Board of Trustees – Approved Budget Reductions in 2002-2003

Spending Envelope	Staff-Recommended Budget Reductions	Board of Trustees - Approved Budget Reductions	Difference	Percentage of Recommended Budget Reductions Approved by the Trustees
Instruction	$9,365,000	$5,820,000	$3,545,000	62%
Special Education	$11,980,000	$0	$11,980,000	0%
Continuing Education	$0	$0	$0	-
Transportation	$7,250,000	$535,000	$6,715,000	7%
Pupil Accommodation	$4,880,000	$1,306,000	$3,574,000	27%
Central Administration	$180,000	$1,544,000	($1,364,000)	858%
TOTAL	**$33,655,000**	**$9,205,000**	**$24,450,000**	**27%**

1. Overall Analysis (2002-2003)

During the 2002-2003 budget process, in February 2002, the Staff recommended approximately $33.7 million in net budget reductions and the Trustees approved only $9.2 million in net budget reductions. Subsequently, in May 2002, in an attempt to balance the budget, the Staff recommended an additional round of budget reductions, none of which were deeply considered or approved by the Trustees.

In essence, the effects of failing to make cost improvements over the past four years were now becoming plainly apparent. In an important sense, procrastination consequences were now appearing. Transition funding had been used for other than its intended purpose. The Trustees had literally self-inflicted their financial crisis of 2002-2003.

2. Summary of Each Spending Category

a. Instruction

The Staff recommended a total of $9.4 million in budget reductions in the area of instruction. The Trustees approved $5.8 million of the $9.4 million.

The Trustees approved a $2.6 million budget reduction to the occasional teacher budget, a $2 million reduction to the instructional computer budget, and a $0.5 million reduction to the secondary and elementary vice-principal budgets. The Trustees did not approve an additional $2 million reduction to the occasional teacher budget, a $2 million reduction to the secondary schools operating budgets, $0.85 million reduction in technical support to secondary schools, and a $0.42 million reduction to the secondary school office staff budget.

b. Special Education

We believe that special education programs are important in Ontario. But, we also believe that such programs should not be immune from the search for economies and efficiencies.

According to the Staff, special education was one of the areas that the OCDSB had failed to make the necessary improvements in economy, efficiency and effectiveness. Cost efficiencies that were being attained at different School Boards apparently were not considered for OCDSB. Hence, the Staff decided to make some important decisions and recommended significant budget reductions in the area of special education. The Staff recommended the elimination of 146.5 FTE teaching positions, eight (8) FTE educational assistant positions, and twenty-one (21) FTE professional staff (i.e., psychologists and social workers). The elimination of all of the positions within special education would have had the effect of reducing the scope and the quality of service that had been provided by the OCDSB to special education students since the amalgamation of the Ottawa and Carleton School Boards.

The recommended budget reductions in 2002-2003 should have been implemented throughout the last four years, in order to make the transition smoother to what the government was seeking, which is educational equity across the Province. Nevertheless, the Trustees have neglected to streamline the special education budget. Although the Staff's recommendations were extensive, they were necessary to achieve the prescribed equity, and were justified based on existing government standards.

Quite obviously, many of the Trustees treat special education differently from other OCDSB programs. We understand that several of the Trustees currently have, or did have, children in the special education program. It is possible that a lack of objectivity has affected their voting. Nevertheless, the Province of Ontario has specified that equity should exist across the Province. The majority of Trustees for OCDSB obviously have not accepted the principles of equal opportunity or equity. Thus, special education is a main cause of the 2002-2003 OCDSB budget deficit.

c. Continuing Education

No budget reductions were recommended by the Staff or approved by the Trustees in the area of continuing education. (See Appendix D for further commentary.)

d. Transportation

As a result of the deficit financial position of the OCDSB in February 2002, the Staff recommended the elimination of all transportation services within the Urban Transit Area (UTA) for all students, excluding special education students. The UTA means the area where homes are located within 1 kilometre of a public transportation bus stop (OC Transpo). The Staff estimated that the elimination of transportation services for all students (except special education students) in the UTA would yield savings of approximately $6.45 million. The Staff also recommended the elimination of transportation to certain specialized secondary programs and congregated gifted programs, which the Staff estimated would yield an additional $0.8 million in annual savings. In total, the Staff recommended a total of $7.25 million in budget reductions in the area of transportation. (In our opinion, such a reduction would be too drastic for younger children.)

The Trustees approved only the elimination of transportation services, within the UTA, for grade 7 and 8 students. The Trustees thought that the elimination of transportation services within the UTA for younger children (aged 12 and under) would put the safety of those children at risk. Furthermore, the Trustees rationalized that the elimination of the transportation services within the UTA would result in the OCDSB losing a significant number of students to other School Boards. Hence, the Trustees approved only $0.5 million of the Staff-recommended $7.25 million in budget reductions. (As stated later, such a reduction is too little.)

For May 2002, the Staff recommended an additional $2.1 million in budget reductions that would be achieved by eliminating noon-hour busing for junior kindergarten (JK) and senior kindergarten (SK). The elimination of noon hour busing would be achieved by having JK and SK students attend school on alternate full days. The Trustees did not accept the Staff's proposals.

e. Pupil Accommodation (Facilities)

Most of the recommended budget reductions in the area of pupil accommodation consisted of $4.6 million in school closures. During the period of investigation, the Staff had performed several formal and comprehensive studies (in three phases) of the OCDSB's facility needs. The studies attempted to identify ways to make the use of OCDSB's facilities more efficient by recommending school closures and changes to the geographic boundaries that determine which students would attend what schools. From 1998-1999 to 2001-2002, the Staff recommended the closure of more than twenty (20) schools. Meanwhile, the Trustees approved the closure of only six (6) schools from 1998-1999 to 2001-2002.

For 2002-2003, the Staff recommended the closure of seven elementary schools and two secondary schools, which would have resulted in estimated savings of approximately $4.6 million. The Trustees approved the closure of only one small, elementary school for total estimated savings of only $0.25 million. The Trustees rationalized their inaction on the basis that the closure of schools would cause difficulties for students who have to be relocated (i.e., travelling longer distances), and on the basis that certain schools are important to the surrounding community. It appears that the Trustees dismissed the Staff's reasoning that the closure of some schools is necessary to increase the OCDSB's overall utilization rates. Some Trustees appear reluctant to allow OCDSB to qualify for new pupil placement funding, which would be provided by the Ministry for opening new schools. It should be noted that during our investigation, we were informed that some of the current Trustees were elected on a platform of "no school closures".

Thus, governance of OCDSB is being hampered by special interests and election promises. Accordingly, favouritism of some students is disadvantaging other students who ought to be equally represented by the Trustees.

f. Central Administration

As part of the 2002-2003, budget process, the Staff recommended the closure of one superintendent's office with estimated savings of $180,000. The Trustees approved the closure of two superintendents' offices for estimated savings of $310,000.

The Trustees also approved an additional $1.2 million in reductions to the operational budgets of many central administration departments, such as the human resources department and the finance department. Additional budget reductions to central administration departments may have to be evaluated once again, for their effects on the gathering of data that is needed to improve economy, efficiency and effectiveness of OCDSB.

OPTIONS IDENTIFIED FOR POSSIBLE BUDGET REDUCTION THAT WERE NOT RECOMMENDED TO THE TRUSTEES BY STAFF

Table 7 – Analysis of Budget Reductions That Were Identified By the Staff, But Were Not Recommended to the Trustees From 1998-2003

Spending Envelope	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	Total
Instruction	$0	$900,000	$0	$8,900,000	$33,850,000	**$43,650,000**
Special Education	$0	$1,000,000	$0	$2,334,000	$0	**$3,334,000**
Continuing Education	$0	$0	$0	$447,000	$0	**$447,000**
Transportation	$0	$2,622,000	$0	$286,000	$12,700,000	**$15,608,000**
Pupil Accommodation	$0	$0	$0	$2,600,000	$3,000,000	**$5,600,000**
Central Administration	$0	$0	$0	$2,909,000	$0	**$2,909,000**
Other	$0	$1,700,000	$0	$0	$0	**$1,700,000**
TOTAL	**$0**	**$6,222,000**	**$0**	**$17,476,000**	**$49,550,000**	**$73,248,000**

Exhibit 2 to Appendix B provides a detailed analysis of the specific budget reductions that were considered but were not recommended to the Trustees. Exhibit 2 to Appendix B may be used as an aid to the undernoted analysis.

From 1998-1999 to 2002-2003, the Staff identified and investigated a total of $73 million in budget reductions that were not ultimately recommended to the Trustees. In 1999-2000, a total of $6.2 million in budget reductions were considered but not recommended to the Trustees. In 2001-2002, a total of $17.5 million in budget reductions were considered but not recommended to the Trustees. For 2002-2003, a total of $49.5 million in budget reductions were considered but not recommended to the Trustees. In 2002-2003, approximately $43.7 million of the non-recommended budget reductions were in the area of instruction, $15.6 million in transportation, $5.6 million in the area of pupil accommodation, and $3.3 million in the area of special education.

According to the Staff, some of the identified budget reductions were not recommended to the Trustees because they were not legally and/or logistically feasible. Other considered reductions were not recommended because of the adverse effect it could have on the students. Yet, other budget reductions were not recommended because the Staff felt that the Trustees had made it clear that they would not approve certain budget reductions (i.e., cost savings from special education and school closures).

2002-2003

In 2002-2003, the Staff did not recommend up to $26 million in budget reductions in the area of teacher salary differential because it was not legally feasible to reduce a teacher's salary. It should be noted that based on information provided by the Ministry, we believe the alleged $26 million salary differential likely is overstated. (See Appendix A) The Staff considered reducing teacher salaries in the budget so that the OCDSB's average teacher salary would be consistent with the Ministry's funding formula. However, the collective bargaining agreements entered into between the OCDSB and the teacher's union would not permit teacher salaries to be lowered or permit the elimination of a significant number of experienced teachers.

In 2002-2003, the Staff also considered eliminating all transportation services (within and outside of the UTA) for students, except for many special education students, with estimated savings of $12.7 million a year. The Staff thought that the elimination of all transportation services might have an impact on enrolment, as parents might turn to other School Boards. Finally, in 2002-2003, the Staff also considered a $3 million reduction to the custodial budget (pupil accommodation) by increasing the square footage that custodians were required to clean and by increasing the use of part-time custodians.

2001-2002

In 2001-2002 the Staff did not recommend a 10% reduction (approximately $2 million in savings) to special education assistants because the needs of special education students had not yet been prioritized. Thus, the redeployment of the remaining educational assistants could not reasonably be accomplished for the new school year. In 2001-2002, the Staff did not recommend a budget reduction of $2.6 million to the custodial budget (pupil accommodation), which would have resulted in the elimination of 60 custodial positions. The Staff thought that a 10% reduction in the custodial budget might have an impact on the cleanliness and safety at the schools. A $1 million budget reduction to the school operating budgets (instruction) was not recommended to the Trustees because the Staff determined that it would affect areas such as textbooks and other learning resources. Furthermore, in 2001-2002, the Staff considered a $4.2 million reduction to school support Staff such as principals, vice-principals, office staff and technicians. Again, the Staff concluded that school closures would be more consistent with program efficiency and effectiveness initiatives. The Staff also considered a 10% reduction ($2 million in savings) to the central administration budget.

1999-2000

In 1999-2000, the Staff considered a total of $2.6 million in transportation budget reductions. They considered reducing the transportation budget by increasing the walking distance for each student by 0.2 kilometres, by introducing all day/alternate day junior kindergarten and senior kindergarten classes (eliminating noon hour busing), and by eliminating transportation to financially-disadvantaged students. The Staff ultimately decided that the proposed budget reductions would create an unreasonable amount of disruption and inconvenience to the students. Thus, the budget reductions were not recommended to the Trustees.

According to the Staff, there were times when they did not recommend certain budget reductions because they felt that the Trustees had made it clear that they were not prepared to approve certain attempts at cost efficiencies. In 2001-2002, the Staff did not recommend a 10% reduction to special education assistants, partially because the special needs of special education students had not yet been prioritized, and partially because they were aware of the reluctance of the Trustees to seriously consider changes to special education programs.

SUMMARY

The Province passed legislation about five years ago, attempting to have Ontario-wide, equal-opportunity education standards and funding. Amalgamations occurred, and transition funding was provided to phase into the new standards. OCDSB received over $140 million to assist in the transition, much more than several boards. The figures in Appendix B do not support a hypothesis that the Trustees who were elected in 2000 to the OCDSB seriously attempted to transition to the Province-wide standards.

APPENDIX B

EXHIBIT 1

RECOMMENDED BUDGET CUTS VERSUS APPROVED BUDGET CUTS

BUDGET DECREASES/(BUDGET INCREASES)

	Recommended Budget Cuts 1998-1999	Approved Budget Cuts 1998-1999	Difference	Recommended Budget Cuts 1999-2000	Approved Budget Cuts 1999-2000	Difference	Recommended Budget Cuts 2000-2001	Approved Budget Cuts 2000-2001	Difference	Recommended Budget Cuts 2001-2002	Approved Budget Cuts 2001-2002	Difference	Recommended Budget Cuts 2002-2003	Approved Budget Cuts 2002-2003	Difference	Total Recommended 1998-1999 to 2002-2003	Total Approved 1998-1999 to 2002-2003	Difference
INSTRUCTION																		
Elementary - Teachers and Office Staff																		
Guidance	$975,000	$975,000	$0													$975,000	$975,000	$0
Classroom Teachers	($496,800)	($803,400)	$306,600	$5,100,000	$5,100,000	$0										$4,603,200	$4,296,600	$306,600
Elementary School Office Staff	$910,000	$910,000	$0													$910,000	$910,000	$0
Elementary Vice-Principals	($1,118,141)	$0	($1,118,141)										$160,000	$160,000	$0	($958,141)	$160,000	($1,118,141)
Elementary ESL & EDL Programs				$1,400,000	$0	$1,400,000	$3,800,000	$2,800,000	$1,000,000							$5,200,000	$2,800,000	$2,400,000
Elementary Technicians																		
Teacher Librarians	$2,084,490	$2,084,490	$0							$150,000	$150,000	$0				$2,234,490	$2,234,490	$0
Library Technicians	($1,176,000)	($1,176,000)	$0													($1,176,000)	($1,176,000)	$0
JK Teacher Aides	$840,000	$840,000	$0													$840,000	$840,000	$0
Secondary - Teachers and Office Staff																		
Secondary Teacher Librarians	$130,000	$130,000	$0													$130,000	$130,000	$0
Classroom Teachers	($1,712,050)	($1,843,450)	$131,400	$1,900,000	$1,900,000	$0										$187,950	$56,550	$131,400
Secondary Guidance	$458,500	$458,500	$0													$458,500	$458,500	$0
Secondary Department Heads	$1,135,770	$1,135,770	$0													$1,135,770	$1,135,770	$0
Minor Headship Allowance	$429,576	$429,576	$0													$429,576	$429,576	$0
Secondary School Office Staff	$525,000	$525,000	$0													$525,000	$525,000	$0
Secondary Vice-Principals	($1,538,028)	($1,328,028)	($210,000)										$350,000	$350,000	$0	($1,188,028)	($978,028)	($210,000)
Secondary ESL & EDL Programs				$700,000	$0	$700,000										$700,000	$0	$700,000
Adult High School ESL & EDL				$400,000	$400,000	$0										$400,000	$400,000	$0
Secondary School Office Allocation													$420,000	$0	$420,000	$420,000	$0	$420,000
Secondary Technicians																		
Secondary Technicians	$647,500	$647,500	$0													$647,500	$647,500	$0
Multi-Media Technicians	$315,000	$315,000	$0													$315,000	$315,000	$0
Computer Technicians	($147,000)	($147,000)	$0													($147,000)	($147,000)	$0
Technical Support in Secondary Schools													$850,000	$0	$850,000	$850,000	$0	$850,000
Occasional Teachers/Benefits																		
Occasional Teacher Budget				$0	$2,000,000	($2,000,000)	$1,000,000	$1,000,000	$0	$2,400,000	$2,400,000	$0	$2,600,000	$2,600,000	$0	$6,000,000	$8,000,000	($2,000,000)
Benefits										$1,200,000	$1,200,000	$0				$1,200,000	$1,200,000	$0
Gratuities										$300,000	$370,000	$0				$300,000	$370,000	$0
Salary Turnover										$4,600,000	$4,600,000	$0				$4,600,000	$4,600,000	$0

APPENDIX B

EXHIBIT 1

RECOMMENDED BUDGET CUTS VERSUS APPROVED BUDGET CUTS

BUDGET DECREASES/(BUDGET INCREASES)

	Recommended Budget Cuts 1998-1999	Approved Budget Cuts 1998-1999	Difference	Recommended Budget Cuts 1999-2000	Approved Budget Cuts 1999-2000	Difference	Recommended Budget Cuts 2000-2001	Approved Budget Cuts 2000-2001	Difference	Recommended Budget Cuts 2001-2002	Approved Budget Cuts 2001-2002	Difference	Recommended Budget Cuts 2002-2003	Approved Budget Cuts 2002-2003	Difference	Total Recommended 1998-1999 to 2002-2003	Total Approved 1998-1999 to 2002-2003	Difference
Other																		
Curriculum/Program Principal	$87,449	$87,449	$0				$150,000	$150,000	$0				$350,000	$350,000	$0	$587,449	$587,449	$0
Program Department	$1,655,189	$1,655,189	$0													$1,655,189	$1,655,189	$0
School Operations - Principal and Vice-Principal	$256,935	$256,935	$0													$256,935	$256,935	$0
Media Centre	$178,500	$178,500	$0										$150,000	$0	$150,000	$328,500	$178,500	$150,000
Staff Development	($200,609)	($200,609)	$0													($200,609)	($200,609)	$0
Lighthouse	$333,121	$281,121	$52,000													$333,121	$281,121	$52,000
Outside Grants	$171,600	$146,600	$25,000													$171,600	$146,600	$25,000
Outdoor Educational Centres	$546,559	$345,034	$201,525										$350,000	$0	$350,000	$896,559	$345,034	$551,525
Adult Education Program	$1,068,697	$1,068,697	$0													$1,068,697	$1,068,697	$0
Accelerated Retirement of Staff	$4,586,200	$4,586,200	$0				$6,800,000	$6,800,000	$0							$11,386,200	$11,386,200	$0
School Equipment Replacement	$2,000,000	$2,000,000	$0				$800,000	$800,000	$0							$2,800,000	$2,800,000	$0
Instructional Supplies				$0	$1,800,000	($1,800,000)										$0	$1,800,000	($1,800,000)
New School Openings							$400,000	$400,000	$0							$400,000	$400,000	$0
Support for Unusual Minor Fluctuations in Enrolment							$130,000	$130,000	$0							$130,000	$130,000	$0
School Budget and Special Program Allocations							$700,000	$700,000	$0				$2,000,000	$0	$2,000,000	$2,700,000	$700,000	$2,000,000
Secondary School Reform							$1,000,000	$1,000,000	$0							$1,000,000	$1,000,000	$0
Central Instruction Support							$527,000	$527,000	$0				$35,000	$35,000		$562,000	$562,000	$0
Board Decision Not to Expand French Immersion							$0	$300,000	($300,000)							$0	$300,000	($300,000)
Additional Reductions							$0	$1,000,000	($1,000,000)							$0	$1,000,000	($1,000,000)
Community Living Summer Program 2002																		
Mentoring Program				($239,000)	($239,000)	$0				($100,000)	($100,000)	$0	$100,000	$100,000	$0	($239,000)	($239,000)	$0
Instructional Computers													$2,000,000	$2,000,000	$0	$2,000,000	$2,000,000	$0
Secondary Reform Implementation				($1,000,000)	($1,000,000)	$0										($1,000,000)	($1,000,000)	$0
Central Funding for New School Start Up										($227,000)	($227,000)	$0				($227,000)	($227,000)	$0
Reduction in Staff Development & Quality Assurance													$0	$200,000	($200,000)	$0	$200,000	($200,000)
Special Projects													$0	$25,173	($25,173)	$0	$25,173	($25,173)
Total Instruction	**$12,946,458**	**$13,558,074**	**($611,616)**	**$8,261,000**	**$9,961,000**	**($1,700,000)**	**$15,307,000**	**$15,607,000**	**($300,000)**	**$8,323,000**	**$8,393,000**	**$0**	**$9,365,000**	**$5,820,173**	**$3,544,827**	**$54,202,458**	**$53,339,247**	**$933,211**
SPECIAL EDUCATION																		
Special Education (General)				$7,200,000	$3,200,000	$4,000,000	$1,600,000	$1,500,000	$100,000	$100,000	($684,000)	$0	$11,980,000	$0	$11,980,000	$20,880,000	$4,016,000	$16,080,000
SETA's/Educational Assistants	$1,320,000	$0	$1,320,000													$1,320,000	$0	$1,320,000
Psychologists	$525,293	$0	$525,293													$525,293	$0	$525,293
Social Workers	$315,740	$0	$315,740													$315,740	$0	$315,740
Speech Language Pathologists	$328,338	$0	$328,338													$328,338	$0	$328,338
Special Education Teachers	$910,000	$0	$910,000													$910,000	$0	$910,000
SERLI's/SERT's/Teacher Diagnosticians	$1,217,975	$0	$1,217,975													$1,217,975	$0	$1,217,975
Principal Special Education	$78,000	$78,000	$0													$78,000	$78,000	$0
Children Learning for Living	$509,228	$509,228	$0				$300,000	$0	$300,000							$809,228	$509,228	$300,000
Total Special Education	**$5,204,574**	**$587,228**	**$4,617,346**	**$7,200,000**	**$3,200,000**	**$4,000,000**	**$1,900,000**	**$1,500,000**	**$400,000**	**$100,000**	**($684,000)**	**$0**	**$11,980,000**	**$0**	**$11,980,000**	**$26,384,574**	**$4,603,228**	**$20,997,346**
CONTINUING EDUCATION																		
Continuing Education Program	$1,000,000	$564,000	$436,000							$183,049	$183,049	$0				$1,183,049	$747,049	$436,000
Continuing Education Principal	$84,500	$84,500	$0													$84,500	$84,500	$0
Extra-Curricular Creative Arts	$117,736	$117,736	$0													$117,736	$117,736	$0
Total Continuing Education	**$1,202,236**	**$766,236**	**$436,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$183,049**	**$183,049**	**$0**	**$0**	**$0**	**$0**	**$1,385,285**	**$949,285**	**$436,000**

APPENDIX B

EXHIBIT 1

RECOMMENDED BUDGET CUTS VERSUS APPROVED BUDGET CUTS

BUDGET DECREASES/(BUDGET INCREASES)

	Recommended Budget Cuts 1998-1999	Approved Budget Cuts 1998-1999	Difference	Recommended Budget Cuts 1999-2000	Approved Budget Cuts 1999-2000	Difference	Recommended Budget Cuts 2000-2001	Approved Budget Cuts 2000-2001	Difference	Recommended Budget Cuts 2001-2002	Approved Budget Cuts 2001-2002	Difference	Recommended Budget Cuts 2002-2003	Approved Budget Cuts 2002-2003	Difference	Total Recommended 1998-1999 to 2002-2003	Total Approved 1998-1999 to 2002-2003	Difference
TRANSPORTATION																		
Transportation Office	$270,784	$270,784	$0													$270,784	$270,784	$0
Transportation	$1,224,000	$1,209,000	$15,000	$525,000	$525,000	$0				($300,000)	($300,000)	$0	$7,250,000	$534,500	$6,750,000	$8,699,000	$1,968,500	$6,765,000
Total Transportation	**$1,494,784**	**$1,479,784**	**$15,000**	**$525,000**	**$525,000**	**$0**	**$0**	**$0**	**$0**	**($300,000)**	**($300,000)**	**$0**	**$7,250,000**	**$534,500**	**$6,750,000**	**$8,969,784**	**$2,239,284**	**$6,765,000**
PUPIL ACCOMMODATION (FACILITIES)																		
Renovations	$1,000,000	$1,000,000	$0	($2,000,000)	($2,000,000)	$0										($1,000,000)	($1,000,000)	$0
Plant Operations	$11,089,567	$11,089,567	$0	($7,000,000)	($7,000,000)	$0				$465,000	$465,000	$0				$4,554,567	$4,554,567	$0
Severance Payments	$0	$172,000	($172,000)													$0	$172,000	($172,000)
School Closures				$2,000,000	$250,000	$1,750,000							$4,600,000	$250,000	$4,350,000	$6,600,000	$500,000	$6,100,000
Insurance and Reduction in Provision for Losses							$1,000,000	$1,000,000	$0	$284,100	$284,100	$0				$1,284,100	$1,284,100	$0
Building Capacity Funds										$1,600,000	$1,600,000	$0				$1,600,000	$1,600,000	$0
Laboratory Renovations										$2,000,000	$2,000,000	$0				$2,000,000	$2,000,000	$0
Long-Term Accommodation Plan										$550,000	$550,000	$0				$550,000	$550,000	$0
Student Services Technology Support										$150,000	$150,000	$0				$150,000	$150,000	$0
Leasing of Desktops										$850,000	$850,000	$0				$850,000	$850,000	$0
Custodial Budgets		($197,000)	$197,000										$280,000	$280,000	$0	$280,000	$83,000	$197,000
Utilities										($1,000,000)	($1,000,000)					($1,000,000)	($1,000,000)	$0
Boundary Reviews										$0	($75,000)					$0	($75,000)	$0
Custodial Services													$0	$711,026	($711,026)	$0	$711,026	($711,026)
Plant Supervisors													$0	($5,391)	$5,391	$0	($5,391)	$5,391
Design & Construction													$0	$50,000	($50,000)	$0	$50,000	($50,000)
Real Estate													$0	$20,000	($20,000)	$0	$20,000	($20,000)
Total Pupil Accommodation (Facilities)	**$12,089,567**	**$12,064,567**	**$25,000**	**($7,000,000)**	**($8,750,000)**	**$1,750,000**	**$1,000,000**	**$1,000,000**	**$0**	**$4,899,100**	**$4,824,100**	**$0**	**$4,880,000**	**$1,305,635**	**$3,574,365**	**$15,868,667**	**$10,444,302**	**$5,349,365**
CENTRAL ADMINISTRATION																		
Coordinator of Volunteer Services	$51,060	$0	$51,060													$51,060	$0	$51,060
Research and Planning	$75,190	$75,190	$0													$75,190	$75,190	$0
Resource Centre	$41,432	$41,432	$0													$41,432	$41,432	$0
Human Resources	$1,105,544	$1,105,544	$0													$1,105,544	$1,105,544	$0
Information Technology	$1,219,644	$1,219,644	$0	$0	$100,000	($100,000)										$1,219,644	$1,319,644	($100,000)
Director/Trustee Services/Communications	$814,874	$814,874	$0													$814,874	$814,874	$0
Physical Planning	$34,730	$34,730	$0													$34,730	$34,730	$0
Finance and Administration	$1,364,418	$1,364,418	$0													$1,364,418	$1,364,418	$0
Capital	$179,379	$179,379	$0													$179,379	$179,379	$0
Superintendent's Office	$301,041	$301,041	$0										$180,000	$310,000	($130,000)	$481,041	$611,041	($130,000)
Memberships	$50,000	$50,000	$0													$50,000	$50,000	$0
Central Administration Supplies and Services	$700,000	$700,000	$0													$700,000	$700,000	$0
Trustees' Communication	$11,800	$11,800	$0													$11,800	$11,800	$0
Central Administration Budget							$0	$130,000	($130,000)	$2,100,000	$2,078,448	$21,552				$2,100,000	$2,208,448	($108,448)
Other (various)										$682,451	$1,541,000	($858,549)				$682,451	$1,541,000	($858,549)
Assembly of School Councils										($1,500)	($1,500)	$0	$0	$3,500	($3,500)	($1,500)	$2,000	($3,500)
Advisory Committees of the Board										$0	($6,000)	$0				$0	($6,000)	$0
Director's Operating Budget													$0	$90,000	($90,000)	$0	$90,000	($90,000)
Trustee's Operating Expenses													$0	$20,000	($20,000)	$0	$20,000	($20,000)
Central Department Budgets													$0	$1,014,780	($1,014,780)	$0	$1,014,780	($1,014,780)
Admissions Enrolment													$0	$4,950	($4,950)	$0	$4,950	($4,950)
Purchasing/Materials Management													$0	$60,851	($60,851)	$0	$60,851	($60,851)
Health & Safety													$0	$40,000	($40,000)	$0	$40,000	($40,000)
Total Central Administration	**$5,949,112**	**$5,898,052**	**$51,060**	**$0**	**$100,000**	**($100,000)**	**$0**	**$130,000**	**($130,000)**	**$2,780,951**	**$3,611,948**	**($836,997)**	**$180,000**	**$1,544,081**	**($1,364,081)**	**$8,910,063**	**$11,284,081**	**($2,380,018)**
DEBT																		
Debentures Principal and Interest										$685,400	$685,400	$0				$685,400	$685,400	$0
Total Debt	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$685,400**	**$685,400**	**$0**	**$0**	**$0**	**$0**	**$685,400**	**$685,400**	**$0**
TOTAL	**$38,886,731**	**$34,353,941**	**$4,532,790**	**$8,986,000**	**$5,036,000**	**$3,950,000**	**$18,207,000**	**$18,237,000**	**($30,000)**	**$16,871,500**	**$16,713,497**	**($836,997)**	**$33,655,000**	**$9,204,388**	**$24,485,111**	**$116,486,231**	**$83,544,827**	**$32,180,904**

* 1999-2000 School Closures: Originally the Board of Trustees approved a total of $1,200,000 in budget cuts out of the $2,000,000 that was recommended by the staff. However, in December 2000, the newly elected Board of Trustees reduced the approved budget reductions from $1,200,000 to $250,000.

APPENDIX B

EXHIBIT 2

OPTIONS IDENTIFIED FOR POSSIBLE REDUCTION BUT NOT RECOMMENDED BY STAFF

	Considered Budget Cuts 1998-1999	Considered Budget Cuts 1999-2000	Considered Budget Cuts 2000-2001	Considered Budget Cuts 2001-2002	Considered Budget Cuts 2002-2003	Total Considered 1998-1999 to 2002-2003
INSTRUCTION						
Equipment Renewal		$900,000				$900,000
School Carryforward Reserves				$1,800,000		$1,800,000
Instructional Support Staff				$2,000,000		$2,000,000
Reduce Principals/Vice Principals, School Office Staff				$4,200,000	$1,710,000	$5,910,000
School Operating Budgets				$900,000	$4,000,000	$4,900,000
Reduce Staffing By Number of Positions Required to Equal Salary Differential Between Costs and Funding					$26,000,000	$26,000,000
Introduce All Day, Alternate Day Kindergarten					$1,700,000	$1,700,000
Twin Elementary Schools					$440,000	$440,000
Total Instruction		**$900,000**		**$8,900,000**	**$33,850,000**	**$43,650,000**
SPECIAL EDUCATION		**$1,000,000**		**$2,334,000**		**$3,334,000**
CONTINUING EDUCATION				**$447,000**		**$447,000**
TRANSPORTATION						
Increase Walking Distance		$130,000				$130,000
Re-introduce All Day/Alternate Day Kindergarten		$1,300,000				$1,300,000
Eliminate Co-operative Education Busing		$266,000				$266,000
Eliminate Transportation for Financially Disadvantaged Students		$566,000				$566,000
Special Education Summer Programs		$115,000				$115,000
Transportation to Other Boards and from Other Boards		$245,000				$245,000
Transportation for Field Trips				$36,000		$36,000
Elimination of Grades 7 & 8 Transportation				$250,000		$250,000
Eliminate ALL Transportation Except for Special Education Students					$12,700,000	
Total Transportation		**$2,622,000**		**$286,000**	**$12,700,000**	**$15,608,000**
PUPIL ACCOMMODATION (FACILITIES)				**$2,600,000**	**$3,000,000**	**$5,600,000**
CENTRAL ADMINISTRATION						
Loss and Vandalism Insurance Reserve				$1,000,000		$1,000,000
Professional Development				$209,000		$209,000
Staff Release Time				$400,000		$400,000
Utilities and Transportation Allocation for Cost Increase				$1,300,000		$1,300,000
Total Central Administration				**$2,909,000**		**$2,909,000**
OTHER		**$1,700,000**				**$1,700,000**
TOTAL	**$0**	**$6,222,000**	**$0**	**$17,476,000**	**$49,550,000**	**$73,248,000**

APPENDIX B

EXHIBIT 2

OPTIONS IDENTIFIED FOR POSSIBLE REDUCTION BUT NOT RECOMMENDED BY STAFF

	Considered Budget Cuts 1998-1999	Considered Budget Cuts 1999-2000	Considered Budget Cuts 2000-2001	Considered Budget Cuts 2001-2002	Considered Budget Cuts 2002-2003	Total Considered 1998-1999 to 2002-2003
INSTRUCTION						
Equipment Renewal		$900,000				$900,000
School Carryforward Reserves				$1,800,000		$1,800,000
Instructional Support Staff				$2,000,000		$2,000,000
Reduce Principals/Vice Principals, School Office Staff				$4,200,000	$1,710,000	$5,910,000
School Operating Budgets				$900,000	$4,000,000	$4,900,000
Reduce Staffing By Number of Positions Required to Equal Salary Differential Between Costs and Funding					$26,000,000	$26,000,000
Introduce All Day, Alternate Day Kindergarten					$1,700,000	$1,700,000
Twin Elementary Schools					$440,000	$440,000
Total Instruction		**$900,000**		**$8,900,000**	**$33,850,000**	**$43,650,000**
SPECIAL EDUCATION		**$1,000,000**		**$2,334,000**		**$3,334,000**
CONTINUING EDUCATION				**$447,000**		**$447,000**
TRANSPORTATION						
Increase Walking Distance		$130,000				$130,000
Re-introduce All Day, Alternate Day Kindergarten		$1,300,000				$1,300,000
Eliminate Co-operative Education Busing		$266,000				$266,000
Eliminate Transportation for Financially Disadvantaged Students		$566,000				$566,000
Special Education Summer Programs		$115,000				$115,000
Transportation to Other Boards and from Other Boards		$245,000				$245,000
Transportation for Field Trips				$36,000		$36,000
Elimination of Grades 7 & 8 Transportation				$250,000		$250,000
Eliminate ALL Transportation Except for Special Education Students					$12,700,000	
Total Transportation		**$2,622,000**		**$286,000**	**$12,700,000**	**$15,608,000**
PUPIL ACCOMMODATION (FACILITIES)				**$2,600,000**	**$3,000,000**	**$5,600,000**
CENTRAL ADMINISTRATION						
Loss and Vandalism Insurance Reserve				$1,000,000		$1,000,000
Professional Development				$209,000		$209,000
Staff Release Time				$400,000		$400,000
Utilities and Transportation Allocation for Cost Increase				$1,300,000		$1,300,000
Total Central Administration				**$2,909,000**		**$2,909,000**
OTHER		**$1,700,000**				**$1,700,000**
TOTAL	**$0**	**$6,222,000**	**$0**	**$17,476,000**	**$49,550,000**	**$73,248,000**

APPENDIX C

OTTAWA-CARLETON DISTRICT SCHOOL BOARD
FUNDING VERSUS EXPENDITURE FOR 2002-2003

	Total Funding	Gross Expenditures Before Trustee-Approved Reductions	(Over)/Under
Classroom Instruction	304,628,708	345,527,799	(40,899,091)
Non-Classroom Instruction	85,239,931	86,198,530	(958,599)
Administration	14,863,003	14,953,735	(90,732)
Facilities - School Operations	55,043,188	51,583,844	3,459,344
Continuing Education	2,769,547	6,825,525	(4,055,978)
Transportation	23,411,757	23,146,076	265,681
Capital and Debt Charges	8,600,000	12,109,829	(3,509,829)
School Renewal	9,763,734	9,948,047	(184,313)
New Pupil Places	777,286	610,464	166,822
Total	505,097,154	550,903,849	(45,806,695)
Fee Revenues	400,000		
Other Revenues	16,600,000		
2001-2002 Deficit		3,700,000	
	522,097,154	554,603,849	
Deficit Before Trustee-Approved Reductions		**($32,506,695)**	
Add: Reductions made by Trustees		9,203,849	
Deficit After Trustee-Approved Reductions		**($23,302,846)**	

APPENDIX D

OTTAWA-CARLETON DISTRICT SCHOOL BOARD
2002-2003 BUDGET REDUCTIONS
STAFF-RECOMMENDED AND BOARD-APPROVED REDUCTIONS

Exhibit No.	Departments	Staff Recommendations February 2002	Board Approved Reductions	Staff Recommendations May 2002
1	School Closures	$4,600,000	$250,000	$250,000
2	Custodial Budget	$280,000	$280,000	$280,000
3	Transportation	$7,250,000	$500,000	$3,100,000
4	Breakfast Program	$35,000	$35,000	$35,000
5	Mentoring Program	$100,000	$100,000	$100,000
6	Instructional Computers	$2,000,000	$2,000,000	$2,000,000
7	Superintendent Offices	$180,000	$310,000	$310,000
8	Media Centre	$150,000	$0	$150,000
9	Outdoor Education	$350,000	$0	$350,000
10	Program Division	$350,000	$350,000	$850,000
11	Special Education	$11,980,000	$0	$11,980,000
12	Occasional Teaching Budget	$2,600,000	$2,600,000	$4,600,000
13	School Budget Allocations	$2,000,000	$0	$3,000,000
14	Elementary School Vice-Principals	$160,000	$160,000	$160,000
15	Secondary School Vice-Principals	$350,000	$350,000	$350,000
16	Secondary School Office Allocation	$420,000	$0	$420,000
17	Technical Support in Secondary Schools	$850,000	$0	$850,000
18	Other Reductions to Central Administration	$0	$2,268,849	$2,268,849
19	Twinning of Elementary Schools	$0	$0	$500,000
	Total Reductions	**$33,655,000**	**$9,203,849**	**$31,553,849**
	Less: Additional Expected Grants	($1,148,305)		
	Less: Board Approved Reductions	($9,203,849)		
	Current Deficit	**$23,302,846**		

Note:

The Board did not approve any additional reductions after Staff's May 2002 recommended reductions.

APPENDIX D

STAFF-RECOMMENDED AND BOARD-APPROVED REDUCTIONS

PREAMBLE TO EXHIBITS 1 TO 19

This Appendix examines the Staff's recommended budget economies as well as the cost-efficiency improvements that have been approved by the Trustees. Our analysis of the budget efficiencies that can be implemented beneficial effects to have for September 2002 is also set out herein. We have looked at a broad range of alternatives and have attempted to provide pros and cons for each. A balanced budget can be achieved for 2002-2003 by making several of a variety of choices. Thus, the comments in this appendix attempt to view a wide range of alternatives.

Specifically, we have examined the following with respect to the 2002-2003 budget:

1. The nature of Staff's recommended budget amendments in February 2002;
2. The nature of Staff's recommended budget reductions in May 2002;
3. The cost savings that have been approved by the Trustees; and
4. Our analysis of the Staff-recommended budget reductions that can be implemented for September 2002.

It is important to emphasize that the scope of this Appendix is primarily limited to the recommendations of Staff. Due to time and other logistical challenges, all of the Staff's recommendations cannot be implemented to have immediate benefit in September 2002, or shortly thereafter. Accordingly, we have prepared a further analysis, in Appendix E, which offers one possible set of expenditure reductions that would achieve a balanced budget for 2002-2003. Most of the cost savings shown in Appendix E are outlined in Exhibits 1 through 19 of Appendix D. However, there are several additional expenditure improvement possibilities (beyond those proposed by the Staff) that are introduced in Exhibit 1 of Appendix E, which can be implemented as part of a balanced budget.

Our conclusion is that a balanced budget is attainable for 2002-2003. The alternatives that are shown in Appendix E, and discussed in Exhibit 1 to Appendix E, are simply one way to achieve a balanced budget. Other alternatives exist to balance the budget. The list of alternatives in Appendix D is designed to be helpful to Staff and to the ultimate governance and decision-making body for OCDSB.

APPENDIX D

EXHIBIT 1

SCHOOL CLOSURES

The OCDSB currently has 151 school sites (120 elementary and 27 secondary, including one adult high school, plus four secondary alternate sites). Since amalgamation, the Staff have performed extensive studies and analyses with respect to school closures. Table 1 summarizes the number of schools that have been reviewed and have been recommended for closure since amalgamation.

Table 1 – Schools Recommended and Approved for Closure

Budget Year	Recommended	Approved	Closed
1999-2000	8 elementary4 2 secondary	elementary 1 secondary	4 elementary 1 secondary
2000-2001*	3 elementary	0 elementary	0 elementary
2001-2002**	9 elementary	6 elementary	1 elementary
2002-2003	7 elementaryl 2 secondary	elementary 0 secondary	1 elementary 0 secondary

* Overbrook Elementary School is included in the OCDSB Staff-recommended school closures for budget years 1999-2000, 2000-2001 and 2001-2002 (when it was eventually closed).

** The 2001-2002 recommended closures include two (2) schools that were recommended for closure in previous years (not including Overbrook). Shortly after the Board approved the closure of six (6) elementary schools, a new Board of Trustees came into power in 2000 and reversed the closing of five (5) of the six (6) schools, resulting in only one (1) school closure. (The motion to close six (6) schools was adopted by the previous Board of Trustees on October 25, 2000. The motion to keep open five (5) of the six (6) schools was adopted by the present group of Trustees on December 18, 2000.)

1. Phases of School Closures Prepared by Staff

OCDSB Staff have developed various phases with different systems and strategies to evaluate the closing of schools. In 1999, the Staff looked at school closures on an area basis by dividing the Ottawa-Carleton district into quadrants. The Trustees did not seem to agree with the definition of the quadrants, and no schools were closed in 2000-2001. In 2000, the Staff recommended that the school closure process be analyzed by grouping families of schools in similar areas. Through such a process, the Staff was able to recommend the closure of nine (9) elementary schools inside the Greenbelt area. But, only one was eventually approved for closure.

In February 2002, the Staff recommended the closure of two (2) secondary and seven (7) elementary schools for 2002-2003, which was expected to result in savings of $4.6 million. The Schedule to Exhibit 1 includes a breakdown of the estimated savings from the closure of schools. The Trustees requested that the Staff perform an analysis of the closure of certain schools so as to achieve $1 million in cost savings for 2002-2003. In March 2002, the Staff recommended the closure of one (1) secondary and four (4) elementary schools amounting to savings of over $1 million. On May 14, 2002, the Trustees approved the closure of one (1) elementary school for 2002-2003, resulting in estimated cost savings of $250,000 to $260,000.

Based on our discussions with OCDSB Staff, the savings related to school closures are not realized until the second year and onward. In the first year that a school is closed, implementation costs may be incurred, which will offset some of the savings. Our calculations have taken into account some of the implementation costs as provided by the Staff.

In essence, since the new Board of Trustees was elected in 2000, only two elementary schools have been closed. In the past two years, the Staff has recommended the closure of 18 schools.

2. Ottawa-Carleton's Unique Features

The Ottawa-Carleton area is separated by the "Greenbelt". The area inside the Greenbelt is urban, while the areas outside of the Greenbelt are more rural. Approximately 70% of the OCDSB students attend schools that are inside the Greenbelt. The elementary schools that are located inside the Greenbelt have excess pupil places of over 4,500. The elementary schools that are located outside of the Greenbelt are over-utilized. The secondary schools that are located inside the Greenbelt have excess pupil places of over 1,300. The secondary schools that are located outside the Greenbelt are over-utilized and have no excess pupil places, in aggregate. Hence, the Board of Trustees have not addressed equity within the geographical areas of OCDSB.

It appears as though much of the suburban population has been growing in the past years, creating the need for more pupil places in the suburbs. The OCDSB has not been in a position to obtain sufficient funding to develop and build new schools based upon the provincial funding formula. Part of the problem is the School Board's excess capacity, which stems from having many schools that are not operating at full capacity, and the Trustees' unwillingness to close schools. Certain conditions, including utilization factors and enrolment growth, must be met in order to become eligible for new pupil places funding. When OCDSB carries out the school closures, the Board becomes eligible for grants to build and equip new schools.

Based on our discussions with the Staff and Trustees, it appears as though certain Trustees are not in agreement with the provincial funding formula calculation of providing funding based on an expected 100% capacity of schools. Nevertheless, the legislation specifies the required percentage of capacity, and therefore is clear on the required standard. As a result of some of the Trustees' beliefs, certain schools have not been closed and the OCDSB has not been able to obtain the funding required to open new schools. By contrast, the Ottawa-Carleton Catholic School Board has positioned itself to qualify for new pupil places funding.

3. New Pupil Places

School closures impact many areas of OCDSB's funding allocation. The new pupil places grant is based upon enrolment in excess of capacity. If a School Board has excess capacity in its schools, it may not qualify for new pupil places grants.

An area in which the OCDSB has received comparatively lower levels of funding is in new pupil places ("NPP"). Table 2 compares NPP funding among a comparison group:

Table 2 – Comparison of New Pupil Places Funding

	1998-1999	1999-2000	2000-2001	2001-2002 Estimate
Ottawa-Carleton DSB	Nil	Nil	Nil	$ 846,181
O-C Catholic SB	$ 3,030,902	$ 3,749,483	$ 4,884,962	$ 8,158,910
Durham DSB	$ 12,251,268	$ 16,659,902	$ 19,891,678	$ 20,000,000
York DSB	$ 16,305,699	$ 20,000,000	$ 20,000,000	$ 37,163,046
Peel DSB	$ 10,761,831	$ 20,000,000	$ 20,000,000	$ 46,675,212

OCDSB did not receive any NPP funding from 1998-1998 through to 2000-2001. High-growth districts such as Durham, York and Peel have received significant NPP funding. The Ottawa-Carleton Catholic School Board, while in the same general region as OCDSB, has received between $3 million to $8 million each year from 1998-1999 to 2001-2002. The following factors explain the difference between NPP funding for OCDSB and the Ottawa-Carleton Catholic School Board:

a) The Ottawa-Carleton Catholic School Board's enrolment has increased by 8.6% since 1998-1999. OCDSB's enrolment has grown by only 0.7%;

b) The Ottawa-Carleton Catholic School Board's enrolment has consistently exceeded the Ministry's calculation of enrolment capacity in each year.

c) OCDSB has not closed schools that have low capacity utilization.

Table 3 – Enrolment in Excess of Capacity, Calculated by the Ministry

	1998-1999	1999-2000	2000-2001	2001-2002 Estimate
Ottawa-Carleton DSB				
Elementary	-	-	-	769
Secondary	-	-	-	-
Excess Enrolment	-	-	-	**769**
Ottawa-Catholic CSB				
Elementary	-	-	-	2,265
Secondary	1,944	2,405	3,133	3,636
Excess Enrolment	**1,944**	**2,405**	**3,133**	**5,901**

4. Alternatives

a. Short Term

In February 2002, the OCDSB's Staff proposed a budget for 2002-2003 that included the closure of seven (7) elementary and two (2) secondary schools. The Trustees approved the closure of one (1) elementary school. In May 2002, the Staff did not recommend the closure of additional schools, besides the one (1) elementary school that had been approved by the Trustees. By May 2002, the Staff had determined that there was not sufficient time to close a school for September 2002.

There are many factors that are taken into consideration in closing a school. Based on our discussions with the Staff, closing a school takes a long period of time, primarily because extensive consultation is needed. Certain schools could have feasibly been closed in February 2002 for September 2002 due to the analysis and study that had previously been performed by the Staff. But, in February 2002, the OCDSB Staff was somewhat limited in its selection of possible schools that could have been closed for September 2002. It would have been very difficult after February to have performed such an analysis on additional school closures, to have effect for September 2002. Thus, even by February 2002, the schools that could have been closed for September 2002, following the specified due process procedure, were limited. The Staff also had to limit their choices to schools with students who could be accommodated elsewhere without substantial school renovation. The Staff therefore focused on the elementary and secondary schools that could be closed with minimal impact to programs.

In addition, it is now not logistically feasible for Staff to close any school for September 2002, including those schools that have undergone previous analysis and study. The students from the closing school would have to be reallocated to the receiving schools. Certain receiving schools may require renovations and maintenance prior to being in a condition to accept additional students. Transportation routes and boundaries may have to be adjusted to accommodate the students who will be moving to new schools. The furniture inside the schools would have to be moved to the receiving schools, or sent offsite for storage. The closure of schools would also affect the location and movement of programs such as special education, French immersion, and others.

We have pursued the possibility of closing certain schools for January 2003. While it may be legally feasible to close certain schools that have undergone some of the community consultation process, the Staff has suggested that it may not be logistically possible to close schools for January 2003. Closing schools in January 2003 may result in a breach of the teacher collective bargaining agreements, depending on the number of teachers that can be moved to other classes and to other schools.

b. Example of a Possible School Closure

We have noted that some schools in the OCDSB operate at less than 50% capacity. However, it is not necessarily desirable to close these schools as such. There may be nearby schools that are older, or in worse condition, that should be considered for closure. The students from the older schools may be re-directed to the schools with lower utilized pupil places. There are many options and alternatives available as to which schools can or should be closed. The Staff already performed in-depth closure analyses on many of the schools. The problem has been the reluctance of some Trustees to support cost savings.

Based on our discussions with the Staff, we understand that there are certain "pockets" within the OCDSB district that may have three elementary schools that are not at full capacity, and are within very close distances to each other. As a result, it may be feasible to close one of the schools and have the students re-directed to the other schools in the same vicinity. Such recommendations may not result in increased transportation costs because the schools are within short distances.

For example, Hilson, Elmdale and Fisher Park elementary schools are all within an approximate distance of approximately 1,300 metres. The following table highlights the projected enrolment and utilization for each school for 2002-2003.

Table 4 – Projected Enrolment and Utilization

School	**OCDSB Planning Capacity (Number of Students)**	**Projected 2002-2003 Enrolment**	**Projected Utilization %**
Hilson	432.5	183	42.3%
Elmdale	420.5	490.5	116.6%
Fisher Park	844.5	470	55.7%

In August 2000, the Staff recommended the closure of Elmdale, among other schools. Of the three neighbouring schools, Staff recommended that Elmdale be closed because it was the oldest school and was in need of the most repairs. Hilson was a fairly new school that was reconstructed by the former Ottawa Board in 1998.

The previous Board of Trustees approved the closure of Elmdale in October 2000. The new Board of Trustees reversed the closure of Elmdale in December 2000, resulting in Elmdale remaining open.

If Elmdale were to close, 420.5 pupil places would be eliminated. There would be sufficient capacity at Hilson and Fisher Park to accommodate the Elmdale students and remain within each school's capacity.

There are other factors that affect the closure of schools such as Elmdale. Many concerns and issues have been raised by the community with respect to school closures. These have been assembled as part of the studies that have been performed by the Staff.

Nevertheless, if the Trustees neglect to make cost reductions, consequences arise elsewhere. The data shows that savings are available, and merit the support of the Board of Trustees.

5. Recommendation

We recommend that L.D. Billings elementary school be closed for September 2002, as has already been approved by the Trustees. We also recommend that two additional elementary schools be closed in January 2003. The closures of the schools in January 2003 will result in savings of approximately $125,000 each ($250,000 for one-half year of savings, times two schools). As a result, the total budget improvements related to school closures for 2002-2003 will be $500,000, which can be broken down as follows:

Closure of L.D. Billings (approved by Trustees)	$250,000
Closure of 2 elementary schools in January 2003 ($125,000 x 2)	250,000
	$500,000

6. Long-Term Cost Savings (for September 2003 and/or Beyond)

For September 2003, sufficient time currently exists for any school to be closed. That is, there is adequate time to perform the analyses and engage in consultations that are required to close a school. As such, a long-term plan would be required to outline the criteria on which school closures should be evaluated. Trustee input is needed in setting criteria.

The Staff have indicated that more time is required to close secondary schools than elementary schools due to the different programs and courses that are offered at secondary schools. The Staff has suggested that decisions must be made by the end of October 2002 to ensure that a smooth transition results from the closure of a secondary school for September 2003. The Staff has also suggested that decisions to close elementary schools for September 2003 must be made no later than January or early February 2003.

In 2001-2002, Staff recommended the elimination of over 2,500 pupil places at the elementary level. The Trustees approved the closure of one school, L.D. Billings, which eliminated 228.5 pupil places. In 2002-2003, the Staff's initial recommendation included the elimination of over 800 pupil places at the elementary level and over 700 pupil places that the secondary level.

In summary, it appears as though 2,000 pupil places can be eliminated at the elementary level, as well as over 700 pupil places at the secondary level.

APPENDIX D
SCHEDULE TO EXHIBIT 1

SCHOOL CLOSURES

Estimated Annual Cost Savings Related to the Closure of An Average Elementary School of 550 Pupils

Position Description	Full Time Equivalent (FTE)	Average Salary (Including Benefits)	Savings
Staffing			
Principal	1	$88,533	$88,533
Chief Custodian	1	$52,590	$52,590
Custodians	2	$42,913	$85,826
Office Staff	1.5	$37,950	$56,925
Total Staffing Savings			**$283,874**
Savings from Operating Costs			
Cleaning Supplies			$4,661
Maintenance Services			$6,402
Furniture and Equipment			$643
Electricity			$24,120
Heating Gas			$17,600
Water and Sewage			$1,335
Total Operating Cost Savings			**$54,761**
Total Estimated Annual Cost Savings			**$338,635**

Note: We have not taken into account any implementation costs or decreased revenue as a result of a school closure.

Schedule to Exhibit 1 (Continued)

Estimated Annual Cost Savings Related to the Closure of An Average Secondary School of 1,150 Pupils

Position Description	Full Time Equivalent (FTE)	Average Salary (incl. Benefits)	Savings
Staffing			
Principal	1	$94,952	$94,952
Vice-Principals	2	$83,789	$167,578
Chief Custodian	1	$55,264	$55,264
Custodian	4	$42,913	$171,652
Office Staff	4	$38,710	$154,840
Total Savings from Staff Reductions			**$644,286**
Savings from Operating Costs			
Cleaning Supplies			$32,501
Maintenance Services			$79,830
Furniture and Equipment			$13,151
Electricity			$166,242
Heating Gas			$191,554
Water and Sewage			$19,328
Total Operating Cost Savings			**$502,606**
Total Estimated Annual Cost Savings			**$1,146,892**

Note: We have not taken into account any implementation costs or decreased revenue as a result of a school closure.

Schedule to Exhibit 1 (Continued)

Breakdown of Estimated Savings from Staff Recommendations

	Number of School Closures	Estimated Savings	Total Savings
Elementary Schools	7	$338,635	$2,370,445
Secondary Schools	2	$1,146,892	$2,293,784
			$4,664,229

Schedule to Exhibit 1 (Continued)

Estimated Annual Cost Savings Related to the Closure of a Small Elementary School of 300 Pupils

(As approved by the Board of Trustees)

Position Description	Full Time Equivalent (FTE)	Average Salary	Savings
Staffing			
Principal	1	$88,533	$88,533
Chief Custodian	1	$51,589	$51,589
Custodian (RPT)	1	$21,457	$21,457
Office Staff	1.5	$37,950	$56,925
Total Staffing Savings			**$218,504**
Savings from Operating Costs			
Cleaning Supplies			$2,660
Maintenance Services			$5,100
Furniture and Equipment			$381
Electricity			$18,402
Heating Gas			$14,331
Water and Sewage			$982
Total Operating Cost Savings			**$41,856**
Total Estimated Annual Cost Savings			**$260,360**

Note:

1. We have not taken into account any implementation costs or decreased revenue as a result of a school closure.

2. The Board of Trustees approved the closure of L.D. Billings for 2002-2003. L.D. Billings is considered a "small" elementary school.

APPENDIX D

EXHIBIT 2

CUSTODIAL BUDGETS

Current Operating Budget:	$25,000,000
Staff-Recommended Budget Reductions:	$280,000
Approved Budget Reduction By the Board of Trustees for 2002-2003:	$280,000

1. Staff-Recommended Budget Reductions

In prior years, the OCDSB would employ as many replacement custodial workers (on a daily basis) as were needed to cover shifts of absent full-time custodians. The Staff has recommended that the number of replacement custodial workers be limited to a maximum of 40 replacement workers per day. According to the Staff, on average, as many as 120 custodians are absent on any given day. The Staff recommendation would have the effect of reducing the number of annual replacement custodian hours by 35,000 hours. According to the Staff, the average hourly rate paid to replacement custodians is $8 per hour. Therefore, total savings equal 35,000 hours at approximately $8 per hour, or $280,000 per annum.

The Staff's recommendation means that many schools will not have a replacement custodian when one of their regular custodians is absent. Therefore, the level of daily service and support that is provided by custodians may suffer in certain schools that experience high rates of custodian absenteeism.

The Staff's recommendation assumes that custodian absenteeism will be decreased by 1.3% during 2002-2003. The Staff hopes to achieve the reduced custodian absenteeism by improving management efforts of plant supervisors.

2. Approved Budget Reduction By the Board of Trustees

The Board of Trustees accepted and approved the Staff's recommended reduction. We concur with the reduction of the custodial budget by $280,000. According to the Staff, this recommendation can be implemented by September 2002 without any significant disruption to the students and staff.

3. Recommendation

We recommend that the Staff consider implementing formal attendance management programs for all custodians, and that the procedures be strictly enforced and administered by plant supervisors. Further reduction of custodian absenteeism will result in additional cost savings in the future.

4. Long-Term Cost Savings (for September 2003 and/or beyond)

It is important to note that the current operating custodial budget is approximately $25 million. The only material budget reductions to the custodial area in the last four years were made in the 1998-1999 budget. Most of the budget reductions (i.e., $9 million out of $11 million) were then reinstated in the 1999-2000 budget. We suggest that the Staff examine, or re-examine, opportunities to further reduce the custodial budget in the future without compromising the safety of students.

APPENDIX D

EXHIBIT 3

TRANSPORTATION

Current Operating Budget:	**$22,000,000**
Staff Recommendations (February 2002):	
Eliminate all transportation for all students (except special education) inside urban transit area ("UTA")	$6,450,000
Eliminate transportation to specialized secondary programs and congregated gifted programs	$800,000
Total Staff-Recommended Budget Reductions	**$7,250,000**
Staff Recommendation (May 2002):	
Eliminate transportation for grades 7 and 8 students inside the UTA	$500,000
Eliminate transportation for Grades 4, 5, and 6 inside the UTA	$500,000
All Day, Alternate Days SK & JK (No noon hour busing)	$2,100,000
Total Staff-Recommended Budget Reductions	**$3,100,000**
Approved Budget Reductions by the Board of Trustees:	
Eliminate transportation for grades 7 and 8 students inside the UTA	$500,000
Total Approved Budget Reductions	**$500,000**

Transportation service is an important issue for OCDSB. The Ottawa-Carleton district has unique features that affect its transportation. In particular, the OCDSB covers urban, suburban and rural communities. An expanse of agricultural lands (the so-called "Greenbelt") bifurcates the Ottawa region and creates logistical challenges in maximizing transportation efficiencies.

From 1998 to 2001, the OCDSB had been able to spend within its funding envelope for transportation, which has been approximately $22 million. In 2002-2003, the OCDSB Staff examined transportation as an area in which to reduce expenditures. In February 2002, the Staff recommended a reduction of approximately $7.2 million in transportation for September 2002. The composition of the cost savings that were recommended by OCDSB Staff are included in the Schedule to Exhibit 3 (provided at the end of Exhibit 3).

The Board approved a $500,000 reduction by cancelling transportation for grades 7 and 8 *inside the Urban Transit* Area ("UTA"). The UTA is the area where a student's home is located within one kilometre of an OC Transpo (Ottawa public transit system) bus stop that provides regular service. The cancellation includes some special education students in grades 7 and 8 that are fairly independent, such as gifted students.

The Board currently has the following policies in place that increase efficiencies in transportation:

1. Pick-up Points – In the urban areas, students are picked up at pick-up locations rather than door-to-door. Such a policy reduces time and distance for the bus routes.

2. Walking Distances – The Board has implemented minimum walking distances to limit the number of students who qualify for transportation.

3. Boundaries – The Board has implemented boundaries for each school, thereby limiting the schools that students are eligible to attend. If a student wishes to attend a school outside of her or his respective boundary, an appeal process is required, and the student will not be eligible for transportation to a school outside of the defined boundary.

4. Sharing of Transportation with the Ottawa-Carleton Catholic School Board – The Board currently shares a limited amount of transportation resources with the Ottawa-Carleton Catholic School Board.

5. Elimination of Transportation to Secondary Students in the UTA.

The costs of busing the students to school are affected by the number of buses required, the time of the route, the kilometres travelled on each route, and the number of routes. Many of the special education students require specialized transportation, including commercial taxi services. The boundaries for the special education students are broader than the students in the "regular" programs. Special education students are bused to schools that offer their specialized program. The Board currently spends approximately one-half of its $22 million budget on transportation for special education students.

In a comparison with Durham, York and Peel Boards, OCDSB spends more, but also receives more funding, for transportation. However, such a comparison does not take into account geographic differences between the districts. A comparison between OCDSB and the Ottawa-Carleton Catholic School Board highlights the expenditure and funding differentials of the two School Boards that serve the same general region. [See Table 1 for a comparison of transportation allocations (funding) and expenditures per pupil between OCDSB and the Ottawa-Carleton Catholic School Board.]

Table 1 – Comparison of Transportation Allocations and Expenditures per Pupil (ADE)

Transportation Funding Allocations per Pupil (ADE)

	1998-1999	1999-2000	2000-2001	2001-2002 Estimates
Ottawa-Carleton	$ 302.23	$ 332.86	$ 306.82	$ 306.47
Ottawa-Carleton Catholic	$ 485.57	$ 485.87	$ 485.80	$ 503.84

Transportation Expenditures per Pupil (ADE)

	1998-1999	1999-2000	2000-2001	2001-2002
Ottawa-Carleton	$ 301.85	$ 284.07	$ 294.92	$ 304.99
Ottawa-Carleton Catholic	$ 486.30	$ 489.48	$ 528.68	$ 518.82

OCDSB has under-spent its transportation funding in the past. The under-spending of its transportation envelope was thought necessary by Trustees so that resources could be reallocated to other, mainly instructional, envelopes that were thought to be a higher priority.

Staff Recommendations

1. Eliminate Transportation in the UTA for All Students

In February 2002, OCDSB Staff recommended that all transportation (from kindergarten to grade 8) in the UTA be cancelled. The Board approved the cancellation of transportation for all grade 7 and 8 students in the UTA, including certain special education students, such as those in the gifted program. The cancellation of all of the transportation in the UTA would result in cost savings of approximately $6.4 million.

a. Short-Term

(i) Legally Feasible

In February 2002, the cancellation of all transportation in the UTA was more feasible than it is now. The OCDSB has annual contracts with private busing companies to service its routes, which typically run from September 1 to June 30. If the above-recommended reductions were made to transportation, a large number of contracts with the suppliers would not be renewed. Potential legal problems could result. Such legal effects would not be possible if the Staff's recommendations of February 2002 had been accepted by the Trustees.

We understand that the OCDSB has received a legal opinion concerning its exposure to litigation if a substantial number of busing contracts are not renewed. The timing of the notice that the OCDSB gives to the busing companies of its intentions not to renew the contracts is crucial in determining whether there is a risk of a damage claim from the busing companies. As the notice period shortens, the risk of a damage claim from not renewing bus contracts becomes greater.

(ii) Other Factors

A major concern surrounding the cancellation of all transportation in the UTA is the safety of the children. Legitimate concerns have been expressed about sending small children, especially those in kindergarten, on public transit. Other concerns have been raised that public transit will not allow unsupervised small children on the bus. However, opinions differ on whether children, aged 12 and under, should be using public transportation.

By May 2002, the Staff no longer considered the cancellation of all of the transportation in the UTA to be feasible for September 2002, due to the short time period available for implementation. Planning staff has indicated that the cancellation of all transportation in the UTA for September 2002 would have resulted in considerable disruption to families and students, if it had been implemented in May 2002. If the cancellation of all transportation in the UTA were to be implemented now, the disruption to families and students would be that much greater, and it would be almost impossible for the planning staff to prepare bus routes and schedules for September 2002.

b. Long-Term

A plan to cancel the transportation of many students inside the UTA will probably be viable for September 2003 or beyond. Other factors will dictate whether this would be an acceptable service reduction to the Ottawa-Carleton community.

If the plan were to be implemented in the long-term, is may be possible for the Board to co-ordinate with OC Transpo to develop a bus route that can accommodate those students who would be affected by the cancellation of the transportation. The planning staff have indicated that, in the past, OC Transpo sometimes has been able to accommodate the students by having the same bus route that OCDSB had offered, so that the students could have a more direct route to their schools.

2. Eliminate Transportation to Specialized Secondary Programs and Congregated Gifted Programs

In February 2002, OCDSB Staff recommended that transportation to specialized secondary programs and congregated gifted programs be cancelled. The specialized secondary programs include International Baccalaureate, Canterbury Arts Program and High Performance Athletes.

The elimination of transportation to the specialized programs would affect approximately 250 secondary students. The elimination of transportation to the congregated gifted programs would affect approximately 500 elementary students and 225 secondary students. The estimated savings associated with the cancellation of the above transportation are $800,000.

a. Short-Term

(i) Legally Feasible

The feasibility of eliminating the transportation for September 2002 is dependent upon the number of busing contracts that would have be cancelled, and whether the amount of cancellations would be significant enough for the busing companies to warrant the filing of a damages claim.

(ii) Other Factors

The cancellation of transportation for the above may make attendance more difficult for the students who elect the specialized programs. Certain students will require busing to other schools, which may decrease the estimated cost savings.

The cancellation of the transportation for September 2002 will require the re-routing of students to other schools, and may change certain programs if students decide not to continue in a specialized program. If such is the case, staffing may have to be rescheduled. If students decide to continue to attend the specialized programs, the disruption will be less.

3. Eliminate Transportation in the UTA for Grades 4 to 6

In May 2002, after the original Staff recommendations were not approved by the Trustees, the Staff introduced a new recommendation to eliminate transportation for students in grades 4 to 6 in the UTA. The elimination of transportation for students in grades 4 to 6 in the UTA would result in cost savings of approximately $500,000, as is shown in the Schedule to Exhibit 3.

a. Short-Term

(i) Legally Feasible

As indicated above, there may be a litigation risk associated with cancelling some of the bus routes so close to September 2002. However, the number of bus routes that will likely be cancelled for students in grades 4 to 6 are much less than if all of the transportation were cancelled in the UTA. Overall, given the volume of business that OCDSB does with various suppliers, the risk could be small.

(ii) Other Factors

If the transportation for students in grades 4 to 6 in the UTA were cancelled for September 2002, it will be very difficult, if not impossible, for the planning staff to coordinate the bus schedules to reflect the changes and generate the expected savings for the upcoming year.

The cost savings associated with not transporting students in grades 4 to 6 are estimated to be $500,000. The amount of cost savings is substantially lower than the savings that would be enjoyed by cancelling all of the transportation in the UTA. The incremental cost of busing additional students is not significant since many of the buses will have to continue the same route, with nearly the same number of riders regardless of whether the students in grades 4 to 6 are picked up.

b. Long-Term

As indicated above, OCDSB could co-operate with OC Transpo to develop new bus routes to accommodate the students in grades 4 to 6 for September 2003 and beyond. Given that the incremental cost savings are not significant, alternate options may be more viable for the Board in the long-run.

4. Alternate Days for Senior and Junior Kindergarten

In May 2002, the Staff recommended that senior and junior kindergarten be taught on alternate days, to reduce transportation costs related to noon hour busing. The estimated cost savings associated with eliminating noon hour transportation are $2.1 million.

a. Short-Term

(i) Legally Feasible

As indicated above with respect to the cancellation of all of the transportation in the UTA, there is a litigation risk associated with cancelling some of the bus routes so close to September 2002. However, the risk is mitigated given that the number of contracts for noon hour busing is less than eliminating all of the busing in the UTA.

(ii) Other Factors

If the alternate day recommendation were implemented for September 2002, it would lead to significant disruption to the caregivers of the kindergarten children. Many parents may not have sufficient time to arrange for day-care or babysitting for their children to accommodate OCDSB's new schedule. This could lead to many appeals by parents who may have been given insufficient notice of the change in programs.

b. Long-Term

In the long-term, it is possible to introduce alternate days for the kindergarten students. Concerns have been made that some children may not be able to pay attention all day at school, and may be too tired to be in school the whole day. There will likely be more time breaks in the classroom to enable the students to last the whole day. We understand that there are other School Boards in Ontario that are currently operating alternate day programs for kindergarten students.

If ample notice is given to the bus companies, and to parents to co-ordinate their schedules, it may be feasible to implement alternate days for kindergarten students for September 2003, and perhaps for January 2003. Such a recommendation could result in annual savings of approximately $2.1 million.

5. Recommendation

We recommend that the transportation of grade 7 and 8 students (with some exceptions) in the UTA be eliminated for September 2002, as approved by the Trustees. We also recommend that the transportation to specialized secondary programs and congregated programs be curtailed, as well as noon hour busing for kindergarten children. As a result, alternate days for junior and senior kindergarten should be implemented as soon as possible, in order to realize program efficiencies. The total estimated savings in transportation from this recommendation would be approximately $3.4 million, which is comprised of the following:

Elimination of transportation for grades 7 and 8 in the UTA	$ 500,000
Elimination of transportation to specialized secondary programs and congregated gifted programs	800,000
Elimination of noon-hour busing for kindergarten students	2,100,000
	$3,400,000

APPENDIX D
SCHEDULE TO EXHIBIT 3

TRANSPORTATION

Staff Recommendations (February 2002)

1. Estimated Savings by Eliminating Transportation Inside the UTA in 2002-2003

Grades	Students Transported	Estimated Costs Savings	Estimated FinancialNet Assistance	Savings
Junior Kindergarten to Grade 6	13,145	$7,050,000	$1,050,000	$6,000,000
Grades 7 and 8	2,200	$670,000	$200,000	$470,000
Grades 9 to 12	675	$300,000	$300,000	$0
	16,020	$8,020,000	$1,550,000	**$6,470,000**

Estimated Cost Savings Used by the Staff in the 2002-2003 Budget **$6,450,000**

2. Estimated Cost Savings by Eliminating Transportation to Specialized Secondary Programs and Congregated Gifted Programs

Programs	Students	Estimated Cost Savings
Specialized Secondary:		
International Baccalaureate	25	$65,000
Canterbury Arts Program	225	$190,000
High Performance Athletes	4	$5,000
Congregated Gifted:		
Elementary	500	$325,000
Secondary	225	$300,000
Total		$885,000
Less: Estimated Implementation Costs		$85,000
Total Estimated Savings		**$800,000**

Schedule to Exhibit 3 (Continued)

Subsequent Staff Recommendations (May 2002)

3. Estimated Cost Savings From Eliminating Transportation for Grades 4, 5, and 6 inside the UTA

Grades	Students Transported	Number of Buses to be Eliminatedof a Bus	Average Annual Cost	Estimated Costs Savings	Estimated Financial Assistance	Net Savings
Grades 4, 5 and 6	3,700	17	$35,000	$595,000	$100,000	$495,000

Estimated Cost Savings Used by the Staff in the 2002-2003 Budget **$500,000**

4. Estimated Cost Savings From Implementing All Day, Alternate Days Senior Kindergarten and Junior Kindergarten (No noon hour busing)

(Based on the 2001-2002 Noon Hour Schedule of Contracts)

Bus Operator/Other Costs	Number of Routes	Cost Per Route	Estimated Cost Savings
Stock	10	$10,725	$107,250
ML Bradley	10	$12,870	$128,700
M&O Bus Line	10	$10,725	$107,250
Laidlaw	10	$16,088	$160,875
All Other Operators and Other Costs			$1,434,062
Costs for serving students on daily contracts (staff estimate)			$200,000
Total Estimated Savings			**$2,138,137**

Estimated Cost Savings Used by the Staff in the 2002-2003 Budget **$2,100,000**

Approved Budget Reductions by the Board of Trustees

Grades	Students Transported	Estimated Costs Savings	Estimated FinancialNet Assistance	Savings
Grades 7 and 8	2,200	$670,000	$200,000	$470,000

Estimated Cost Savings Used by the Staff in the 2002-2003 Budget **$500,000**

APPENDIX D

EXHIBIT 4

SCHOOL BREAKFAST PROGRAM

Current Operating Budget:	$85,000
Staff-Recommended Budget Reductions:	$35,000
Approved Budget Reduction By the Board of Trustees:	$35,000

1. Staff-Recommended Budget Reductions

Analysis

The OCDSB operates a breakfast program in 43 of its schools. The current operating budget of $85,000 represents the OCDSB's contribution to the breakfast program, and is used to pay for food costs. Contributions from charitable and community organizations are used to fund all other costs that are not covered by the OCDSB's contribution. The annual costs relating to the breakfast program are approximately $185,000. According to OCDSB Staff, fundraising efforts have already raised $100,000 in contributions for the 2002-2003 breakfast program. The Staff is of the opinion that an additional $35,000 (or more) can be raised throughout the year. Thus, the OCDSB's budget can be reduced by the same amount without affecting the school breakfast program.

2. Approved Budget Reduction By the Board of Trustees

Analysis

The Trustees have approved the Staff's recommendation that the budget for the school breakfast program be reduced by $35,000, from $85,000 to $50,000.

We suggest that the breakfast program budget be reduced by $35,000 as recommended by the Staff and as approved by the Trustees. According to the Staff, this recommendation can be implemented by September 2002 without a noticeable or significant reduction in the level of service that is provided to students.

3. Long-Term Cost Savings (for September 2003 and/or beyond)

The breakfast program is not part of the Ministry's current funding formula. Such a program therefore ought to be funded by other means, such as by corporate and community assistance.

Based on our analysis, it is our recommendation that community and corporate fundraising efforts be increased and intensified so that a greater portion of the breakfast program operating budget will be supported through charitable contributions. The move to more of a self-sustaining program would allow for an additional OCDSB budget reduction. However, it is not recommended that the OCDSB eliminate all funding to the breakfast program because we understand that some of the donors "match" the dollars that are contributed by the School Board.

APPENDIX D

EXHIBIT 5

MENTORING PROGRAM

Current Operating Budget:	$175,000
Staff-Recommended Budget Reductions:	$100,000
Approved Budget Reduction By the Board of Trustees:	$100,000

1. Staff-Recommended Budget Reductions

Analysis

The mentoring program allows more experienced teachers to counsel, coach and provide advice to less experienced teachers. The objective of the mentoring program is to reduce the high rates of turnover that have been experienced by the OCDSB in the past several years. According to the Staff, the mentoring program has been successful in reducing turnover rates for new teachers in the first few years of their careers.

For the 2002-2003 year, the Staff has recommended that the annual operating budget allocated to the mentoring program be reduced from $175,000 to $75,000. The costs relating to the program are incurred in the form of replacement teachers who are required to cover the class of a teacher involved in the mentoring program. The Staff intends to achieve the budget reductions by reducing the scope of the mentoring program throughout all schools.

2. Approved Budget Reduction By the Board of Trustees

Analysis

The Trustees approved the Staff-recommended budget reduction to the mentoring program. According to the Staff, this recommendation can be implemented by September 2002.

3. Recommendation

We recommend that Staff implement the budget reductions that were approved by the Trustees. Although we see the mentoring program as a positive and beneficial program, the current financial situation of the OCDSB requires improvements in the efficiency of its programs. We understand that Staff is in the process of implementing the changes for the 2002-2003 school year, and that such changes can be made for the 2002-2003 school year without having a material impact on the day-to-day operations of the schools.

APPENDIX D

EXHIBIT 6

INSTRUCTIONAL COMPUTERS

Current Operating Budget:	$3,500,000
Staff-Recommended Budget Reductions:	$2,000,000
Approved Budget Reduction By the Board of Trustees:	$2,000,000

1. Staff-Recommended Budget Reductions

a. Analysis

The instructional computer budget funds the purchase and maintainance of computer hardware and software that is used in the classroom for instructional purposes. The Staff has recommended reducing instructional computer spending by $2,000,000 (i.e., to $1,500,000 from $3,500,000). The funding relates to a "Ministry Technology Grant" that is provided by the Province to update school technology and to purchase hardware. In essence, the Staff proposed to save $2,000,000 by cancelling all planned hardware purchases for the 2002-2003 school year. The majority of the remaining $1,500,000 of funding will be used to complete the last year of a three-year network upgrade project.

The implications of the Staff's recommendations are numerous. Approximately 1,100 new desktop computers for instructional purposes will not be purchased in 2002-2003 as planned. This means that some of the older computers, that were to be replaced, will have to be used by students for one more year. The continued use of older computers may result in higher repair and maintenance costs. However, the Staff believes that incremental repair and maintenance costs will be minor compared to the savings of $2,000,000. Reductions in the centralized purchasing of ancillary supplies items such as printer cartridges and diskettes will require each school to fund their own consumable computer supply costs from their individual operational budgets.

According to the Staff, the completion of the network upgrade program in 2002-2003 will mitigate the anticipated reductions in the Ministry's technology grant in future years (i.e., the funds that were allocated for the network upgrade 2002-2003 can be "re-directed" to hardware purchases in 2003-2004).

b. Quantitative Analysis

Ministry Technology Grant		**$3,574,941**
Original Allocation of the Technology Grant:		
Hardware Purchases *(Budget Reduction)*	$2,000,000	
Remaining Network Upgrade Costs (third year of a three-year upgrade plan)	$1,452,941	
Contractual Maintenance	$ 35,000	
Non-contractual Maintenance	$ 67,000	
Release Time	$ 20,000	(3,574,941)
Unallocated Ministry Technology Grant		**$0**
Staff-Recommended Budget Reduction (Hardware Allocation)		**$2,000,000**

2. Approved Budget Reduction By the Board of Trustees

Analysis

The Trustees approved the Staff-recommended budget reduction for instructional computers. We suggest that the budget for instructional computers be reduced by $2,000,000, from an annual operating budget of $3,500,000 to $1,500,000, as recommended by the Staff and as approved by the Trustees. According to the Staff, the implementation of this budget reduction for September 2002 can be legally and logistically achieved. We would recommend that the Staff implement the Trustee-approved budget reductions for the upcoming school year. The estimated cost savings of $2 million will help alleviate some of the financial issues facing the OCDSB. However, such action could create incremental short-term costs in the form of increased repair and maintenance charges. Furthermore, it is not feasible to expect such savings to be achieved on an annual basis. Computer hardware will have to be purchased in the future to replace the current stock.

3. Recommendation

As stated above, we recommend that Staff implement the budget reductions that were approved by the Trustees. We understand that Staff is in the process of implementing the changes for the 2002-2003 school year, and that such changes can be made for the 2002-2003 school year without having a material impact on the day-to-day operations of the secondary schools. Funds ought to be available for 2003-2004 because that is when the cost reductions will occur from having closed schools and from other savings that have delayed benefits.

4. Long-Term Recommendation (for September 2003 and/or beyond)

The OCDSB will achieve $2 million of savings in the area of instructional computers by effectively cancelling all planned purchases of new hardware in 2002-2003. According to the Staff, it will not be feasible to do the same for another year (i.e., 2003-2004).

Some of the current inventory of computer hardware will inevitably require replacement. Therefore, we do not believe that instructional computer spending can reasonably be maintained at $1.5 million for future years.

APPENDIX D

EXHIBIT 7

SUPERINTENDENTS' OFFICES AND SUPPORT FOR SCHOOLS

Current Operating Budget (for one Superintendent's Office):	$183,828
Staff-Recommended Budget Reductions (for one Superintendent's Office):	$183,828
Approved Budget Reduction By the Board of Trustees (includes two Superintendents' Offices):	$310,000

1. Staff-Recommended Budget Reductions

a. Analysis

The Staff recommended that one superintendent's office be eliminated for the 2002-2003 school year. The closure of one superintendent's office would involve the elimination of one superintendent, one administrative assistant, and the related operating budget for that particular office. The estimated cost savings from the elimination of a superintendent's office would be approximately $180,000 (see the attached Schedule to Exhibit 7).

The reduction of one superintendent might reduce the support available to principals, parents and School Board. Also, the elimination of a superintendent's position will decrease the number of professional growth opportunities for principals and teachers.

According to the Staff, we understand that a superintendent, upon notification of a reduction, is entitled to be placed in an equivalent leadership position with the same salary and benefits for a one-year period. Therefore, cost savings would not be realized for at least one year upon the closure of a superintendent's office. However, in the case of OCDSB, as of June 24, 2002, a total of four superintendents had retired and therefore the eliminated superintendent position was successfully absorbed. The administrative assistant was also successfully placed in another position within the School Board. As a result, the estimated cost savings of $180,000 is achievable for September 2002.

b. Quantitative Analysis

See Schedule to Exhibit 7, at the end of this Exhibit.

2. Approved Budget Reduction By the Board of Trustees

Analysis

We understand that the School Board had originally asked for the closure of seven superintendents' offices. The mass closure of superintendents' offices was part of the School Board's plan to move the OCDSB towards a site-based planning model, which would reduce the required number of superintendents. Ultimately, the Trustees approved the closure of only two superintendents' offices. A total of two superintendents and two administrative assistant positions were eliminated, as well as the respective operating budgets of each office. The approved closure of two superintendents' offices leads to the anticipated cost savings of approximately $310,000. (See the attached Schedule to Exhibit 7.) As a result of the aforementioned existing vacant positions (as of June 24, 2002), all of the eliminated superintendent and administrative assistant positions were absorbed. Thus, no incremental severance costs will be necessary.

3. Alternatives

a. Implement All Staff Recommendations

We recommend that the budget reductions that have been approved by the School Board be implemented for September 2002. For the next few years we would not necessarily encourage any more significant reductions to the superintendents' offices, as we feel that it may be important to maintain an experienced base of school administrators during this period of transition for the OCDSB. However, on completion of the transition, the number of positions should be evaluated again.

b. Make Some of Staff's Recommendations

An alternative would be to implement the Staff-recommended budget reduction of eliminating only one superintendent's office. This alternative would be a compromise between what the Staff originally recommended and what the Trustees ultimately approved. This alternative would reduce the level of anticipated savings by $130,000, from $310,000 to $180,000 per year.

4. Recommendation

We recommend the closure of two superintendent's offices for 2002-2003.

APPENDIX D
SCHEDULE TO EXHIBIT 7

Superintendent Offices and Support for Schools

Staff Recommendations

Position Description	FTE	Average Salary (including benefits)	Estimated Cost Savings
Salaries			
Superintendent	1.0	$121,050	$121,050
Administrative Assistant	1.0	$52,278	$52,278
Total Salary Savings	**2.0**	$173,328	**$173,328**
Operating			
Transportation Costs			$1,300
Supplies			$6,600
Professional Development			$2,600
Total Operating Savings			**$10,500**
Total Estimated Savings			**$183,828**

SCHEDULE TO EXHIBIT 7 (Continued)

Approved by Trustees

Salaries			
Position Description	**FTE**	**Average Salary (including benefits)**	**Estimated Cost Savings**
Superintendents	2.0	$121,050	$242,100
Administrative Assistants	2.0	$52,278	$104,556
Total Salary Savings	**4.0**	$173,328	**$346,656**
Operating			
Transportation Costs			$2,600
Supplies			$13,200
Professional Development			$5,200
Total Operating Savings			**$21,000**
Total			**$367,656**
Less: Difference Between Principal and Superintendent Salaries (2 @ $28,500)			$57,000
Total Estimated Savings			**$310,656**

APPENDIX D

EXHIBIT 8

MEDIA CENTRE

Current Operating Budget:	$192,000
Staff-Recommended Budget Reductions:	$153,000
Approved Budget Reduction By the Board of Trustees:	$0

1. Staff-Recommended Budget Reductions

a. Analysis

The media centre was established several years ago as a joint venture among several School Boards with the purpose of acting as a central distribution centre for the collective inventory of media hardware (i.e., VCR's, televisions, projectors) and media software (i.e., audio tapes, visual tapes, CD's). The media centre serves the needs of the participant School Boards by offering an order and delivery service to the teachers. The media centre is located in a building that is owned by the OCDSB. The media centre is primarily managed and operated by the OCDSB. The participating Boards pay fees for the use of the media centre's services.

The operating costs of the media centre are shared among the participant School Boards. The current operating budget for the media centre is $345,000. OCDSB's share of the operating budget is $192,000, as approximately $153,000 is expected to be collected in user fees from the participating Boards.

The Staff have recommended eliminating the media centre for the 2002-2003 school year. Closing down the media centre is expected to save the OCDSB approximately $150,000 for the 2002-2003 school year. The $150,000 savings are net of an estimated $40,000 in implementation costs that will be incurred to redistribute the inventory among the participant School Boards.

According to the Staff, the closure of the media centre can be accomplished for the upcoming school year. However, the manner in which the media centre inventory is divided among the participating Boards would have to be determined. The closure of the media centre would require each individual school to maintain and manage its own inventory of media hardware and software. Such increases in local responsibilities may lead to increases in the amount of administration and support costs for each school. Potential cost increases at the individual schools will reduce the extent of the cost savings that can be realized if the media centre is closed.

The closure of the media centre will lead to the reduction of five educational support personnel (ESP) and one union-exempt employee. As shown in the Schedule to Exhibit 8, the estimated severance costs relating to the media centre closure are estimated to be approximately $20,000. The closure of the media centre would allow the OCDSB to sell the building that currently houses the media centre. However, we understand that the building must first be offered to other School Boards and to the provincial and federal governments before it can be held out for public sale.

b. Quantitative Analysis

See the Schedule to Exhibit 8, at the end of Exhibit 8.

2. Approved Budget Reduction By the Board of Trustees

Analysis

The Trustees did not approve and adopt the Staff recommendation to close the media centre. Several Trustees were of the opinion that the media centre could increase the amount of user fees collected and could eventually become self-financed. Other Trustees were of the opinion that the services provided by the media centre were important and its closure would lead to an increase in costs at the school level.

If the media centre were to remain open, ways to increase the user fees should be investigated. Increased user fees could render significant savings without eliminating the service that is currently being provided by the media centre.

3. Alternatives

a. *Implement All Staff Recommendations*

The Staff suggests that the media centre could be closed and the current inventory redistributed by the start of the 2002-2003 school year. The six media centre employees would have to be given their 30-day notice periods before any cost savings could be realized on their salaries, (i.e., their salaries would likely have to be paid to the end of September). We have estimated that the severance costs on eliminating the six positions would be approximately $20,000 (assuming that the employees could not be absorbed through existing vacant positions).

Furthermore, an analysis should be performed by the Staff on the potential increases in individual school operating costs as a result of having to maintain and manage their own inventory of media hardware and software. We would recommend that consideration be given to restoring the kit service to schools in the most efficient way possible. The kit service provides schools with special curriculum materials.

At best, closing the media centre could lead to a budget reduction of $192,000, less the one time $40,000 implementation cost. However, the recurring annual savings are likely to be less, given the unknown incremental costs that will be incurred by individual schools.

b. Implement Some of Staff's Recommendations

Consideration could be given to maintaining the operation of the media centre by exploring ways to increase the user fees that are earned. Increasing the user fees for the 2002-2003 school year and beyond could allow the OCDSB's operating budget to be reduced from $192,000 to approximately $100,000 (i.e., savings of almost $100,000). This alternative would essentially be a compromise between maintaining the current situation and closing the media centre outright. Furthermore, maintaining the media centre would avoid liability for severance compensation and the possible increases in individual school operating budgets. Such an alternative may be a reasonable compromise.

4. Recommendation

We recommend that Staff's proposal to close the media centre be adopted for 2002-2003, unless user fees can be increased quickly, to absorb any cash shortfall.

APPENDIX D
SCHEDULE TO EXHIBIT 8

MEDIA CENTRE

Breakdown of Estimated Savings from Staff Recommendations

Position Description	FTE	Average Salary (Including Benefits)
Supervisor of Electronic Services	1.0	$67,123
Media Resource Specialist	1.0	$44,229
Supervisor of Media Services	1.0	$54,018
Supervisor of Media Operations	1.0	$53,124
Media Assistant	1.0	$35,800
Media Assistant	1.0	$34,562
TOTAL SALARIES	**6.0**	**$288,856**
GENERAL OPERATING BUDGET		**$56,000**
Total		**$344,856**
Less: Funds raised from user fees paid by participating boards		$153,000
Total		$191,856
Less: Implementation Cost		$40,000
Total Estimated Savings to OCDSB for 2002-2003		**$151,856**

Schedule to Exhibit 8 (Continued)

Potential Severance Implications

Part A

		Number of Vacant Positions As of July 11, 2002	Number of Layoff Notices Required
		(FTE)	(FTE)
Total Educational Support Professional Reductions	5	0*	5
Total Union Exempt Employee Reductions	1	4	0

* As of July 11, 2002, there were 20 vacant FTE positions in the Educational Support Professionals group. However, we have already assumed the use of all of the 20 vacant positions in one of the other budget reduction areas.

Part B

	FTE Positions To Be Given Notice	Average Years of Service Based on Review of Seniority List	Average Salary for FTE Position	Estimated Severance Costs (1 month of pay for each year of service)
Educational Support Professionals	5	1	$46,192	$19,247

APPENDIX D

EXHIBIT 9

OUTDOOR EDUCATION CENTRE

Current Operating Budget: Revenues Collected from User Fees: Net Operating Budget:	$672,500 ($323,000) $350,000
Staff-Recommended Budget Reductions:	$350,000
Approved Budget Reduction By the Board of Trustees:	$0

1. Staff-Recommended Budget Reductions

a. Analysis

The OCDSB operates two outdoor education centres (OECs), the MacSkimming OEC and the Bill Mason OEC. The OECs are used to enhance the environmental and nature studies curriculum. The two OECs are also used by other School Boards and community groups. External groups are required to pay user fees in order to access the OECs.

The operating budget for the two OECs is $672,500, with expected recoveries from user fees of $323,000, for a net operating budget of approximately $350,000. The Staff has recommended that the OECs be closed for the 2002-2003 school year. The closure of the OECs will eliminate the opportunity for students to access these sites in the course of nature or environmental studies. Instruction in these areas will be entirely classroom-based. According to the Staff, most other School Boards do not currently operate OECs.

The closure of the OECs would result in the elimination of 10 educational professional support (EPS) positions and 2 plant personnel (custodians). We have estimated that the related severance costs would be approximately $40,000 (see the Schedule to Exhibit 9).

Our estimate of the severance costs assumes that some of the eliminated positions could be absorbed by existing vacancies in the EPS employee group.

According to the OCDSB Staff, the proposed closure of the OECs would be legally feasible for the upcoming school year. The closure of the OECs would result in two vacant properties and buildings. According to the Staff, the Bill Mason lands would revert to West Carleton Secondary School. Thus, the West Carleton Secondary School would have to perform maintenance of the Bill Mason indoor facilities, if they wished to use them. Obviously, the continued use of the Bill Mason facility would create an increase in the maintenance costs that would be borne by the West Carleton Secondary School. The MacSkimming facility could be closed and would likely be put up for sale. However, according to the Staff, the properties would first have to be offered to other School Boards and government agencies at nominal prices before they could be sold to the public. Hence, it is not currently possible to estimate the potential cash realization from the sale of the lands.

b. Quantitative Analysis

See the Schedule to Exhibit 9 for a detailed breakdown of the estimated cost savings from the closure of the two OECs.

2. Approved Budget Reduction By the Board of Trustees

Analysis

The Trustees did not approve the Staff-recommended closure of the two OECs. Generally, the Trustees appeared to believe that the OECs provide an important learning opportunity for the students. Furthermore, some Trustees were of the opinion that methods of increasing the revenues earned by the OECs should be explored.

3. Alternatives

a. Implement All Staff Recommendations

The Staff is confident that the OECs could be legally and efficiently closed down by the start of the 2002-2003 school year. The twelve OEC employees would have to be given their 30 day notice periods before any cost savings could be realized (i.e., their salaries would likely have to be paid to the end of September). We have estimated that the severance costs associated with the elimination of the six positions would be approximately $40,000 (assuming that all of the employees could not be absorbed through vacant positions or staff turnover). Closing the OECs could lead to a budget reduction of approximately $350,000, less the one-time severance and implementation costs of approximately $40,000.

The effect of eliminating the OECs will be to reduce teaching and learning alternatives in OCDSB's curriculum. However, it must be recognized that other comparable School Boards currently do not enjoy the luxury of two outdoor educational centres.

b. Implement Some of Staff's Recommendations

Consideration can be given to maintaining at least one of the OECs. Furthermore, methods to increase the user fees should also be considered as a way to decrease the required operating budget of the remaining OEC. By increasing the user fees and eliminating one of the OECs, we estimate that a total of $175,000 could be eliminated from the budget on an annual basis (not including a possible implementation costs).

4. Recommendation

We recommend that Staff's proposal to close the OECs be adopted for 2002-2003, unless user fee recoveries can be assured.

APPENDIX D
SCHEDULE TO EXHIBIT 9

OUTDOOR EDUCATION

Breakdown of Estimated Savings from Staff Recommendations

Position Description	FTE	Location	Average Salary (Including Benefits)
Coordinator Outdoor Education Centre	1.0	MacSkimming	$58,536
Outdoor Education Interpreter	1.0	MacSkimming	$38,980
Outdoor Education Interpreter	1.0	MacSkimming	$38,980
Secretary V	1.0	MacSkimming	$42,401
Supervisor Maintenance	1.0	MacSkimming	$58,459
Chief Custodian 2	1.0	MacSkimming	$45,617
Custodian	1.0	MacSkimming	$40,712
Outdoor Education Interpreter	1.0	MacSkimming	$38,201
Outdoor Education Interpreter	1.0	WC Bill Mason	$42,117
Outdoor Education Interpreter	1.0	WC Bill Mason	$47,171
Outdoor Education Interpreter	1.0	WC Bill Mason	$47,171
Secondary School Office Assistant	1.0	WC Bill Mason	$38,048
Total Salary Savings			**$536,393**
General Operating Budget			**$136,107**
Total			**$672,500**
Less: Funds raised from annual user fees			$323,000
Total Estimated Savings to OCDSB			**$349,500**

Schedule to Exhibit 9 (Continued)

Potential Severance Implications

Part A

		Number of Vacant Positions As of July 11, 2002	Number of Layoff Notices Required
		(FTE)	(FTE)
Total Educational Support Professional Reductions	10	0*	10
Total Plant Employee Reductions	2	4	0

* As of July 11, 2002, there were 20 vacant FTE positions in the Educational Support Professionals group. However, we have already assumed the use of all of the 20 vacant positions in one of the other budget reduction areas.

Part B

	FTE Positions To Be Given Notice	Average Years of Service Based on Review of Seniority List	Average Salary for FTE Position	Estimated Severance Costs (1 month of pay for each year of service)
Educational Support Professionals	10	1	$46,192	$38,493
Plant Personnel	0	0	$42,913	$0
Total Estimated Severance Costs				$38,493

APPENDIX D

EXHIBIT 10

PROGRAM DIVISION

Current Operating Budget:	$2,200,000
Staff-Recommended Budget Reductions (February 2002):	$350,000
Staff-Recommended Budget Reductions (May 2002); An Additional:	$500,000
Approved Budget Reductions By the Board of Trustees:	$350,000

1. OCDSB Staff-Recommended Budget Reductions

a. Analysis

The educational programs and services division ("program division") provides a variety of support services to teachers. The program division supports the implementation of all new curriculum in both elementary and secondary schools, assists the evaluation of student achievement, and designs and develops resources and materials that are distributed to both elementary and secondary school teachers. The program division also assists staff development by organizing and hosting training sessions for teachers regarding changes to curriculum and other changes that are mandated by the Ministry of Education. The program division is staffed by teachers and administrative support personnel.

The 2002-2003 operating budget for the program division is approximately $2.2 million. As part of the February 2002 budget process, the OCDSB Staff recommended that two teacher positions and one administrative support position be eliminated. Furthermore, cost savings will also be achieved by reducing the operating costs of certain programs that are offered by the program division. Such improvements in the efficiency and effectiveness of delivery will result in estimated annual savings of $350,000 (see the Schedule to Exhibit 10 for a breakdown of the estimated savings).

As part of the May 2002 proposed budget revisions, the Staff recommended additional savings of $500,000 from the current operating budget, for total recommended savings of $850,000. The operating budget was thereby decreased from $2.2 million to approximately $1.35 million. The Staff recommended that the additional budget reduction in May 2002 be achieved by further eliminating four teacher positions and five and one-half administrative support positions.

Such reductions in teacher positions within the program division will result in more limited support to schools in implementing new provincial curriculum, in new student evaluation practices, in preparing centrally-designed resource material for students, and in providing teacher training.

b. Quantitative Analysis

See the Schedule to Exhibit 10.

2. Approved Budget Reduction By the Board of Trustees

Analysis

The Trustees approved and adopted the Staff's February 2002 recommendation of reducing the operating budget by $350,000. The Board of Trustees did not consider or approve the subsequent Staff cost-saving recommendations that were advanced in May 2002. If the Trustees' actions were implemented, schools and teachers would continue to be reasonably supported by the program division. Such an alternative would also ensure that new curriculum and new student evaluation methods are adequately supported and uniformly applied to all of the schools within the School Board.

3. Alternatives

a. Implement All Staff Recommendations

The elimination of approximately six teacher positions, six and one-half administrative support positions, and a portion of the operating budgets, would result in a realization of approximately $850,000 in annual operating cost savings. According to the Staff, all of the eliminated positions could be absorbed by existing vacant positions (as of June 24, 2002) in both the teacher and educational support personnel employee groups.

The Staff has already taken measures to implement the approved budget savings of $350,000 (the February 2002 Staff recommendations). The Staff is confident that the May 2002 budget recommendation for an additional $500,000 of savings could be implemented for September 2002. We understand that the implementation of all of the recommended budget savings ($850,000) for September 2002 would be legally and practically feasible. The reductions in teacher positions and educational support personnel can be absorbed by existing vacancies (as of June 24, 2002). Therefore, incremental severance costs should not be incurred.

b. Implement Some of Staff's Recommendations

An alternative course of action would be for the OCDSB to implement an additional budget reduction of $250,000, instead of the additional budget reduction of $500,000 that was recommended by the Staff in May 2002. Such an alternative is essentially a compromise as it would show the total savings from the program division to be $600,000 ($350,000 recommended in February 2002 *plus* $250,000 in additional budget savings) as opposed to the entire Staff recommended budget savings of $850,000 ($350,000 recommended in February 2002 *plus* $500,000 recommended in May 2002). Such an alternative would result in only one-half the personnel savings and would minimize the extent to which the functions and services provided by the program division would be reduced. As previously mentioned, the Staff is confident that the budget savings could be implemented for the upcoming school year.

4. Recommendation

We believe that it is possible to achieve cost efficiencies in the program division in the order of $600,000, and perhaps more. Such a cost improvement should assist in balancing OCDSB's 2002-2003 budget.

5. Long-Term Cost Reductions (for September 2003 and/or beyond)

Any long-term savings will be a direct function of the alternative that is chosen and implemented for the 2002-2003 school year. If the "Some" Recommended Reductions alternative is chosen, ways to further reduce the operating budget of the program division for the 2003-2004 school year should be explored by the Staff.

APPENDIX D
SCHEDULE TO EXHIBIT 10

PROGRAM DIVISION

Breakdown of Estimated Savings from the Staff Recommendations Made in February 2002

Position Description	FTE	Average Salary (Including Benefits)
Teacher Positions	2.0	$114,900
Administration and Support Positions	1.0	$43,560
Total Salary Savings	**3.0**	**$158,460**
General Operating Expenses		**$191,832**
Total Estimated Savings to OCDSB		**$350,292**

Breakdown of Estimated Savings from the Staff Recommendations Made in May 2002

Position Description	FTE	Average Salary (Including Benefits)
Family Reception (Teacher Positions)	2.0	$140,343
Program Department (Teacher Positions)	2.0	$141,794
Program Department (Administration and Support Positions)	3.5	$125,973
Staff Development (Administration Support Positions)	2.0	$86,000
Total Salary Savings	**9.5**	**$494,110**
General Operating Expenses		**$6,000**
Total Estimated Savings to OCDSB		**$500,110**

Schedule to Exhibit 10 (Continued)

Potential Severance Implications

Number of Eliminated Teacher Positions (FTE)	6
Number of Eliminated Administration and Support Positions (FTE) (Educational Support Professionals)	6.5
Estimated Severance Costs Relating to the Elimination of the 6 Teacher Positions and 6.5 Administration and Support Positions	$0

Note: Based on our discussions with the Staff, eliminated positions could be absorbed through vacant teacher positions as of July 11, 2002, and through administration and support employee turnover.

APPENDIX D

EXHIBIT 11

SPECIAL EDUCATION

Current Operating Budget:	$65,400,000
Staff-Recommended Budget Reductions:	$11,980,000
Approved Budget Reduction by the Trustees:	$0

1. Introduction

Special education ("SE") is a very important and high profile program at OCDSB. The Trustees of the OCDSB have told us that they take pride in their existing special education programs. These programs are designed to offer support to special education students and to their families.

In terms of the proposed budget deficit for 2002-2003, SE requires a careful evaluation. Historically, Trustees have favoured SE and avoided budget cuts in this area. The consequence could be that non-SE students may be disadvantaged relative to the SE students. Overall, the OCDSB does not seem to have been modifying its SE programs to comply with the provincial funding model, and what other School Boards are practicing.

"Special Education" is not a well-defined term at the OCDSB. The pupils and programs that are included in the definition of Special Education (SE) vary dependent upon the context and purpose of the discussion. SE typically includes the following exceptionalities:

a. Behavioural
b. Communication
c. Intellectual (including "giftedness")

d. Physical
e. Any combination of the above

The School Board currently offers twelve (12) congregated special education programs (including giftedness) to its students:

a. Developmental Disability
b. Autism
c. Physical Support Unit
d. Learning Disability
e. Dual Diagnosis
f. Behaviour
g. Deaf/Hard of Hearing
h. Reintegration
i. Giftedness
j. Primary Assessment Centre
k. General Learning Program
l. Visual/Hearing Impaired

SE enrolment may also be comprised of identified and non-identified pupils. The latter are students who have not undergone testing or formal "identification" procedures.

2. Staff-Proposed Special Education Delivery Model

In 1999, the Staff of OCDSB prepared a long-term plan for special education. Its purpose was to provide a means by which the School Board would be able to operate by 2003 within the financial resources that it would be allotted according to the legislated requirements of the Province. The Trustees adopted the following guiding principles in May 1999 as a framework for defining the Special Education Delivery Model.

a. focus on the whole student.

b. emphasize early identification and prevention.

c. offer a continuum of services for the student.

d. partnership with parents, teachers, professional staff and the community, supported by ongoing communication.

e. provide support for teachers to develop the necessary skills and teaching strategies to work with exceptional students.

f. offer a range of educational opportunities for exceptional students, such that each can attain his or her full potential.

The implementation plans of the 1999 model were refined to allow the Board of Trustees to meet its obligation to reduce spending to within the provincial funding resources, while providing its students with a reasonable education.

The Staff prepared and presented a long-term plan for special education to the Trustees for 1999-2000. In January 1999, the Trustees approved the Staff's proposal, which included recommendations to implement a long-term plan for the review and the restructuring of special education and student services.

The long-term plan for special education provided for extra support to teachers so that all teachers would share ownership for special education. The rationale of the model is based upon the premise that the early years are crucial for the development of learning skills, in order to reduce the need for additional special education program and services in later years.

The Staff's plan for a mainly school-based special education delivery model was piloted in Zone 1 for the 2000-2001 year. As for most pilot studies, differing opinions exist on its success. Overall, the plan appears to have been successful, to the extent that it was feasible. Other opinions suggest otherwise. We have not attempted to evaluate research on the extent to which the alternative delivery model contributed to, or detracted from, the education of the special education students.

3. Gifted Program

The gifted program is considered to be part of special education. The OCDSB offers congregated (or separate) gifted classes at the elementary level. Table 1 illustrates OCDSB's number of elementary gifted students in relation to the number of full-time equivalent ("FTE") teaching positions for the congregated gifted classes. For comparative purposes, the number of gifted secondary students is also shown.

Table 1 – Elementary Gifted Students and Congregated Gifted Classes (FTE)

	1998-1999	1999-2000	2000-2001	2001-2002
Gifted Elementary Students	1,880	1,656	1,474	1,317
Congregated Gifted Elementary Classes (FTE)	25	30	32	33
Gifted Secondary Students	1,520	1,365	1,287	1,144

As Table 1 illustrates, the number of gifted elementary and secondary students has been declining since 1998-1999. However, the number of congregated gifted classes and FTE staff that have been allocated to the elementary gifted program have increased. It appears that the OCDSB has made decisions to increase the number of gifted congregated classes to allow more gifted students to be in a congregated, rather than in an integrated, class.

4. Inconsistency in Numbers

During our investigation, we found reporting inconsistencies in the number of special education students in the OCDSB. Certain Trustees have indicated that OCDSB has over 11,000 special education students as of October 31, 2001. The Staff have provided numbers that indicate the OCDSB has approximately 9,500 "exceptional" students as of October 31, 2001.

A letter was written and forwarded from the Chair of the Board of Trustees to the honourable John Baird, Minister of Community and Social Services, dated March 7, 2002. The letter provides a listing stating that the OCDSB has approximately 11,000 exceptional students.

The Staff have also provided us with several listings supporting that the OCDSB has approximately 9,500 special education students. The Ministry reports also suggest that OCDSB has approximately 9,500 special education students.

It may be possible that the Trustees' figure includes some of the students that are on a "waiting list" for assessment. Our analysis has been based upon the Ministry-reported figure of approximately 9,500 total special education students.

5. Financial Analysis

Generally speaking, gifted programs do not have the same financial requirements as other SE programs. The principal incremental cost of the gifted program is transportation[1]. For the purposes of the following analysis we have excluded the gifted pupils from the SE enrolment in computing our "per student" figures for SE expenditures (unless otherwise noted). We have been advised by the Staff that the cost of teachers for congregated, elementary gifted classes are included in the SE expenditures figure. However, the number and cost of the teachers for congregated gifted classes is believed to be immaterial. We have not adjusted the SE allocations or expenditures for the effect of excluding gifted students in our analysis.

---

[1] Other possible "increased" costs for Gifted classes include smaller class sizes (lower pupil to teacher ratio) and possibly the cost of "richer" learning activities, such as field trips that require more funds.

Based on our analysis of the period from 1998-1999 to 2001-2002, OCDSB spent approximately $9,000 to $10,000 per SE student (excluding gifted). In 2002-2003 the OCDSB's SE expenditures per student exceeded the allocation (funding) per student by $1,681. Using 6,925 SE students (excluding gifted) times $1,681 per student, the dollar overrun amounts to $11.6 million, which is approximately 50% of the 2002-2003 proposed deficit.

We note that SE expenditure per pupil in 1999-2000 was within $372 of the funding allocation. The upward trend in the SE funding gap commenced in 2000-2001, coinciding with the election of the current Board of Trustees.

Table 2 –Expenditures and Funding per SE Pupil (Excluding Gifted)

SE Expenditure per SE Student Excluding Gifted					
	1998/1999	**1999/2000**	**2000/2001**	**2001/2002 Estimate**	**2002/2003 Budget**
Instructional Expenditures	$ 68,146,446	$ 62,057,995	$ 65,444,823	$ 65,287,183	$ 70,004,680
SE Enrolment (Excluding Gifted)	6,741	6,838	7,075	7,045	6,925
Spending per student	**$ 10,109.25**	**$ 9,075.46**	**$ 9,250.15**	**$ 9,267.17**	**$ 10,109.34**
Funding per SE Student					
	1998/1999	**1999/2000**	**2000/2001**	**2001/2002 Estimate**	**2002/2003 Budget**
SE Funding Allocations	$ 58,035,895	$ 59,509,973	$ 59,816,591	$ 54,549,434	$ 58,365,183
SE Enrolment (Excluding Gifted)	6,741	6,838	7,075	7,045	6,925
Funding per student	**$ 8,609.39**	**$ 8,702.83**	**$ 8,454.64**	**$ 7,743.00**	**$ 8,428.19**
Under/(Over) Spending	**$ (1,499.86)**	**$ (372.63)**	**$ (795.51)**	**$ (1,524.17)**	**$ (1,681.16)**

Note: The SE expenditures and funding figures above have not been adjusted for amounts that relate to Gifted pupils. Thus, the spending and funding per student figures are both slightly overstated.

The decrease in funds allocated to SE in 2001-2002 is due to an anomaly in the reporting of SE students. According to the Staff, the Trustees excluded congregated gifted secondary students in a figure that is used to compute SE allocations.

6. Financial Comparison to Other School Boards

The OCDSB spends a relatively large proportion of its budget on special education programs. The disproportionate expenditures could be justified if OCDSB has and had an unusually high percentage of special education pupils. To address the issue of whether OCDSB has proportionately more special needs pupils, we prepared the following tables.

Table 3 – SE Students as a Percentage of Total Enrolment (ADE) – Including Gifted

	1998-1999	1999-2000	2000-2001
Ottawa-Carleton	**13.8%**	**13.5%**	**13.3%**
Durham	14.9%	13.1%	13.4%
York	13.0%	13.6%	14.0%
Peel	13.6%	13.3%	12.7%
Ottawa-Carleton Catholic	13.4%	12.3%	10.7%

Our analysis indicates that OCDSB has a high, but not the highest, proportion of special education pupils among the comparison group. If gifted exceptionality pupils are excluded from the SE population, OCDSB's SE proportion drops to near the *bottom of the comparative group.* These figures may suggest that a disproportionate segment of OCDSB's SE pupils are gifted students (see Table 8). Our data analysis indicates that OCDSB actually has a low rate of non-gifted special needs pupils.

Table 4 – SE Students as a Percentage of Total Enrolment (ADE) – Excluding Gifted

	1998-1999	1999-2000	2000-2001
Ottawa-Carleton	**9.2%**	**9.3%**	**9.6%**
Durham	13.5%	11.5%	11.7%
York	11.2%	11.6%	12.0%
Peel	10.1%	9.8%	9.4%
Ottawa-Carleton Catholic	11.5%	10.6%	9.3%

Despite its comparatively low rate of non-gifted SE pupils, OCDSB's SE expenditures have comprised a high percentage of its total expenditures. We believe that the Trustees of OCDSB have not acknowledged that their district is not unusual in the Province.

Staff have provided a calculation whereby it has estimated that approximately 23% of its overall operating expenditures are devoted to SE pupils. The higher figure is due to the proportionate allocation of general classroom and non-classroom expenditures, as well other operating costs, such as central administration and transportation.

Table 5 – Comparison of Direct SE Expenditures and Total Expenditures

Ottawa-Carleton	**13.6%**	**12.6%**	**13.1%**	**12.8%**
Durham	16.2%	14.6%	14.2%	14.5%
York	12.6%	12.5%	12.4%	12.4%
Peel	9.9%	11.8%	11.2%	10.9%
Ottawa-Carleton Catholic	11.3%	10.9%	11.7%	12.0%

In each year, only the Durham Board's proportion of SE expenditures to total operating expenditures exceeded that of the OCDSB. Although Durham spends more on its SE programs, it is funded at a higher rate of its expenditures, because of its growth. In 2001-2002, 79% of Durham's SE expenditures were covered by SE allocations. By comparison, only 73.9% of OCDSB's SE expenditures were funded by SE allocations.

The OCDSB's exceptionally high SE expenditures can be observed in its generous level of SE expenditures on a per pupil basis.

Table 6 – Comparison of SE Funding and Expenditures per Pupil (Excluding Gifted)

SE Expenditures per Pupil	1998-1999	1999-2000	2000-2001
Ottawa-Carleton	**$ 10,109**	**$ 9,073**	**$ 9,250**
Durham	$ 7,016	$ 7,451	$ 7,308
York	$ 6,708	$ 6,348	$ 6,373
Peel	$ 6,199	$ 7,313	$ 7,366
Ottawa-Carleton Catholic	$ 6,324	$ 6,800	$ 8,457
Province of Ontario	$ 6,150	$ 6,219	$ 6,607

SE Allocations per Pupil	1998-1999	1999-2000	2000-2001
Ottawa-Carleton	**$ 6,367**	**$ 6,424**	**$ 6,821**
Durham	$ 4,587	$ 5,675	$ 6,044
York	$ 4,774	$ 4,680	$ 4,879
Peel	$ 5,297	$ 5,586	$ 6,258
Ottawa-Carleton Catholic	$ 5,533	$ 5,983	$ 7,402
Province of Ontario	$ 5,049	$ 5,095	$ 5,656

Overspending (as % of allocation)	1998-1999	1999-2000	2000-2001
Ottawa-Carleton	**58.8%**	**41.2%**	**35.6%**
Durham	52.9%	31.3%	20.9%
York	40.5%	35.7%	30.6%
Peel	17.0%	30.9%	17.7%
Ottawa-Carleton Catholic	14.3%	13.7%	14.2%
Province of Ontario	21.8%	22.1%	16.8%

As illustrated in Table 6, since 1998-1999, each of the Boards have SE expenditures in excess of their SE funding allocations on a per student basis. It is also noted that SE expenditures of the Province as a whole exceeded the funding allocations in each year. However, OCDSB has consistently spent the most per non-gifted SE pupil than the other Boards and the Province on an overall basis. Further, OCDSB has the highest margin of overspending on SE students of the comparison group.

One explanation for the OCDSB's tendency to overspend its SE funding is attributable to its SE program delivery model. OCDSB prefers to provide congregated classes for special needs pupils. The OCDSB has the highest percentage of SE pupils in self-contained classes as illustrated in Table 7.

Table 7 – Comparison of Proportion of SE Pupils in Self-Contained Classes

	1998-1999	1999-2000	2000-2001
Ottawa-Carleton	**20.0%**	**20.0%**	**22.0%**
Ottawa-Carleton Catholic	6.0%	7.0%	8.0%
Durham	17.0%	20.0%	19.0%
Peel	14.0%	14.0%	17.0%
York	3.0%	2.0%	1.0%

We have been advised by the Staff that congregated delivery models tend to be more expensive for the following reasons:

1. Transportation costs are higher because pupils must be brought to designated program delivery sites.

2. Teacher costs may be higher because there may be less than optimum class sizes.

An examination of the benefits and constraints of congregated and integrated SE program delivery models should be conducted by the Ministry with a view to determining whether the incremental cost of congregated programs is justified.

The composition of OCDSB's special needs pupils could also affect expenditures. To determine whether OCDSB's composition of SE pupils is unique, we analyzed the SE enrolment of each Board in our sample.

The OCDSB appears to have a comparatively high rate of gifted pupils in its population of SE students.

Table 8 – Comparison of Gifted Pupils as a Percentage of Total SE Enrolment

	1998-1999	1999-2000	2000-2001
Ottawa-Carleton	**33.5%**	**31.2%**	**28.1%**
Durham	9.6%	11.7%	12.2%
Ottawa-Carleton Catholic	13.9%	13.9%	13.4%
Peel	25.3%	26.1%	25.9%

If gifted pupils are excluded from the SE enrolment, the composition of OCDSB's special needs pupils is reasonably similar to those of the comparison School Board group.

Table 9 – Comparison of Special Education Pupils, by Exceptionality, Excluding Gifted

	1998-1999	1999-2000	2000-2001	1998-1999	1999-2000	2000-2001
Ottawa-Carleton						
Behavioural	536	457	458	8.0%	6.7%	6.5%
Communication	4,493	4,184	4,480	66.7%	61.2%	63.3%
Intellectual	953	934	931	14.1%	13.7%	13.2%
Physical	86	461	472	1.3%	6.7%	6.7%
Multiple	188	204	171	2.8%	3.0%	2.4%
Non-Identified	485	600	563	7.2%	8.8%	8.0%
	6,741	6,840	7,075	100%	100%	100%
Durham						
Behavioural	599	747	636	7.2%	10.3%	8.5%
Communication	4,361	3,976	4,120	52.5%	54.7%	55.0%
Intellectual	463	603	525	5.6%	8.3%	7.0%
Physical	77	331	331	0.9%	4.6%	4.4%
Multiple	463	622	793	5.6%	8.6%	10.6%
Non-Identified	2,348	989	1,084	28.3%	13.6%	14.5%
	8,311	7,268	7,489	100%	100%	100%
Ottawa-Carleton Catholic						
Behavioural	265	282	282	6.5%	7.2%	8.0%
Communication	1,579	1,373	1,341	38.5%	35.3%	38.2%
Intellectual	320	347	469	7.8%	8.9%	13.4%
Physical	62	218	181	1.5%	5.6%	5.2%
Multiple	97	108	135	2.4%	2.8%	3.8%
Non-Identified	1,781	1,564	1,103	43.4%	40.2%	31.4%
	4,104	3,892	3,511	100%	100%	100%
Peel						
Behavioural	304	359	348	3.0%	3.5%	3.4%
Communication	7,123	7,108	7,600	70.2%	70.3%	75.1%
Intellectual	1,182	959	820	11.7%	9.5%	8.1%
Physical	148	683	670	1.5%	6.8%	6.6%
Multiple	56	78	51	0.6%	0.8%	0.5%
Non-Identified	1,332	928	635	13.1%	9.2%	6.3%
	10,145	10,115	10,124	100.0%	100.0%	100.0%
York						
Behavioural	604	642	589	6.7%	6.6%	5.6%
Communication	6,514	6,258	6,123	72.4%	64.4%	58.3%
Intellectual	1,445	2,187	2,117	16.1%	22.5%	20.1%
Physical	94	352	371	1.0%	3.6%	3.5%
Multiple	151	190	211	1.7%	2.0%	2.0%
Non-Identified	195	94	1,100	2.2%	1.0%	10.5%
	9,003	9,723	10,511	100.0%	100.0%	100.0%

OCDSB does not appear to have a materially different composition of SE exceptionalities that would explain its relatively high SE expenditures per pupil. We have not examined differences within the categories of exceptionality that may clarify the differences in expenditures. For example, OCDSB and the Ottawa-Carleton Catholic School Board may have comparable percentages of Intellectual exceptionality pupils in 2001-2002 (approximately 13%). However, within the Intellectual exceptionality category, OCDSB may have a greater proportion of gifted pupils while the Catholic School Board's Intellectual exceptionality population may be to have more autistic children.

7. Waiting List

As of May 2002, the OCDSB had 3,709 students that were waiting for assessments, partial-assessments or other supports. The waiting list included students who had not been identified as special needs students, but who were already enrolled in special education classes (described as non-identified and must be in other categories). These students may still be waiting for assessments. Some students may be waiting for more than one assessment.

The May 2002 waiting list also included identified special education students who were already enrolled in special education classes and had already been previously assessed by exceptionality. It should be noted that the waiting list included students who will be tested by OCDSB's personnel, but will be treated by outside agencies. These students are therefore on other agencies' waiting lists to be tested.

The waiting list also included a summary of students who were waiting for other supports such as counselling and consultation. These students include special education and 'regular' students.

The Chair of the Board of Trustees of OCDSB sent a letter to parents on June 25, 2002, stating that "3,700 students are on waiting lists for diagnosis of special needs". Such a statement could lead parents to believe that students' needs are not being met. The letter does not clarify that some students will be serviced by outside agencies, and not OCDSB. The letter does not address the fact that certain students have already been diagnosed for special needs, but are waiting an additional assessment, or a yearly assessment. The letter does not make reference to the fact that most of the students on the list are currently enrolled in the special education program at OCSDB.

In brief, the accountability of the Trustees to the parents needs improvement. Full explanations of how funds have actually been used are absent in the communications that we have seen.

8. Staff-Recommended Budget Reductions

From 1998 to 2002, the Staff-recommended budget reductions to special education totalled over $26 million. The Board of Trustees approved $4.6 million in special education reductions in the same period. Appendix B provides further details on previous Staff recommendations and Board of Trustee approvals to special education programs.

Based on our discussions with the Staff and Trustees, it appears as though any contemplated reductions to the area of special education become a very emotional and political issue. OCDSB Staff have expressed the need for the OCDSB to make cuts in special education from as early as 1998-1999. Due to the lack of cuts in previous years, the Staff has had to recommend a significant amount of reductions for 2002-2003, amounting to almost $12 million, in order to come closer to Provincial guidelines. Schedule I to Exhibit 11 provides a breakdown of the Staff-recommended reductions for 2002-2003.

9. **Teaching Positions**

a. Legally Feasible

All of the $12 million cost reduction may not be feasible for September 2002. The OCDSB's collective bargaining agreements with teachers restrict the OCDSB from laying off any teachers after June 15, 2002. However, as of July 10, 2002, OCDSB had approximately 235 FTE teaching positions open for September 2002, consisting of 159 elementary and 76 secondary positions. The Staff's recommendation of reducing 146.5 FTE teaching positions (115 elementary and 31.5 secondary) includes special education teachers in congregated and integrated classes. If the Staff's recommendation for the reduction of FTE teaching positions were adopted for September 2002, it would result in re-scheduling of some teaching positions.

It is uncertain whether the re-scheduling of teaching positions would be able to cover the open positions currently available, especially at the secondary level. There may be excess teachers from the above-recommended reductions who cannot be placed in the open positions, and thereby would theoretically breach the collective bargaining agreements. As a consequence, all of the $12 million reduction may not be immediately attainable. However, other savings are attainable elsewhere such as the reduction of entry-level positions in French Emersion.

b. Other Factors

Of the 146.5 FTE teaching position reductions recommended by the Staff, 58 result in reductions to the congregated classes. Based on our discussions with the Staff, the Board of Trustees currently does not have a system in place to prioritize the students for the congregated classes. Also, an adequate system is not in place to measure the needs of some special education students, so that teachers may determine which students require a congregated class, and which are flexible.

Any decrease of teaching positions for the congregated classes results in the reduction of the number of congregated classes currently offered by the OCDSB. Hence, decreases may result in several appeals from the community and parents, because the OCDSB might be arbitrarily reallocating students without using a defined prioritization system.

One fact that has arisen from our discussions with the Staff and certain Trustees is that the previous Carleton School Board did not have any congregated classes for special education. As a result of the amalgamation of the Ottawa and Carleton School Boards, the congregated classes have expanded throughout the OCDSB.

10. Educational Assistants

a. Legally Feasible

As of June 24, 2002, the Board had 18.5 FTE educational assistants ("EA") staffing positions open for September 2002. The Staff's recommended reduction of eight (8) FTE educational assistants would not likely breach any collective bargaining agreements. Thus, the reduction of eight FTE educational assistants should be feasible for September 2002.

b. Other Factors

Based on our discussions with the Staff, the EAs are a valuable source to the teachers. Apparently, OCDSB's EAs are well qualified, requiring a diploma in DSW (Developmental Social Worker), CYW (Child and Youth Worker) or an equivalent, and one to two years of related experience. OCDSB's EAs are expected to administer medications, respond to physical needs, assist in program implementation, instruct students in small groups or individually, and similar. On average, an EA's salary is approximately $30,000 less than a teacher's salary. Their usage would be more economical, having them act as support to teachers rather than using teachers to act as support for other teachers.

11. Support Personnel

The Staff's budget recommendation included the reduction of 21 FTE positions for support personnel. As of June 24, 2002, OCDSB had 6.3 FTE unfilled positions for September 2002 (4.3 for speech language pathologist positions and 2 for psychologist positions). If all of the Staff-recommended reductions in FTE positions were made for September 2002, the OCDSB may have to incur severance costs of approximately $550,000. (It should be noted that whether the Staff reductions to support personnel were made for September 2002 or beyond, the severance costs could still apply. The amount of severance could increase over time.)

The OCDSB requires specific personnel to conduct the Intensive Support Amount ("ISA") testing for the students, which is required by the Ministry. It is expected that the ISA testing will be completed by November 2002. In 2001-2002, the support personnel spent most of their time performing assessments on the students, so that the Board would be eligible for the ISA grants. As a result, less time relative to previous years was spent working with the students in the classrooms.

OCDSB Staff have recently revisited the recommended cost reductions to special education and have considered a longer-term approach for September 2002 and beyond. As a result of the problems that would arise in the reduction of congregated classes, the Staff feels the need to prioritize students according to their specific needs. The Staff recommends that no immediate reductions be made to the support personnel staff so as to enable all of the ISA assessments to be performed by November 2002. Finally, the Staff has suggested that during the remainder of the year, the support personnel can review each special education student's tests and assessments, so as to prioritize the students. Staff would like to implement a system that will prioritize students so that one can determine which students require a congregated class, and which students can be integrated into the regular school system.

12. Summer Learning Program

The cost incurred by OCDSB for the Summer Learning Program for special education students is approximately $500,000 annually, including transportation costs. The program is a joint-project with the Ottawa-Carleton Catholic School Board. The program attracts approximately 300 students each year. The Ottawa-Carleton Catholic School Board provides a summer learning program for approximately 100 students from both Boards who are severely handicapped. The OCDSB provides a program for students from both Boards who have severe developmental delays and are severely autistic. The Staff have indicated that the Ottawa-Carleton Catholic School Board spends approximately $300,000 per year on its summer program.

The Staff recommended the discontinuance of the Summer Learning Program in the 2000-2001 budget proposal. The Trustee's Committee of the Whole (Budget) Minutes for March 23, 2000 indicate that the Board of Trustees did not accept the Staff's proposed reduction, suggesting that the Summer Learning Program is an essential part of the learning process. The minutes state:

> "WHEREAS representatives of parents of this [Ottawa-Carleton] population and representatives of SEAC [Special Education Advisory Committee] met with senior staff, including the Director, and all parties agreed to recommend to the OCDSB that the Board (of Trustees) implement a gradual phase-out of the OCDSB's financial support of this program over three years;
>
> THEREFORE BE IT RESOLVED THAT the OCDSB put *$276,000 back into the 2000/2001 budget for the summer program for students with developmental disabilities and/or autism…
>
> *(represents a reduction of $200,000 in the current cost to the program, this cost to be assumed by parents and by adjustments to the program)" (Page 2)

The Staff recommended the discontinuance of the Summer Learning Program again in the 2002-2003 budget, which was once again not approved by the Board of Trustees.

The Summer Learning Program is operated by teachers who are hired on a contract basis. The teachers' salaries relating to the Summer Learning Program are not part of the collective bargaining agreements. Thus, there would not be any restrictions relating to the teachers' salaries with respect to discontinuing the program for summer 2003. The elimination of the summer learning program would result in savings of $500,000.

13. Additional Funding

The OCDSB has not completed testing all of its special education students who may make the OCDSB eligible for an ISA grant. It is anticipated that the Board of Trustees will complete its assessments by the end of November 2002. As a result, the Board could be eligible for additional grants for 2002-2003. There are approximately 900 students who are waiting for an ISA assessment in order for OCDSB to receive the grant. We have not included the possible additional funding in our calculations.

14. Alternatives

The following directions could be taken with respect to special education for September 2002:

a. Implement All Recommended Reductions

One alternative could be to accept all of the Staff's recommendations that were made in February 2002. This option may still be legally feasible for September 2002. However, making all of the necessary reductions to balance the budget may result in appeals from parents of children in the congregated classes, and disruption to school staffing for September 2002. A disruption in the staffing is not without precedent for OCDSB, as re-scheduling has occurred due to previous teacher strikes and for enrolment adjustments. It should be noted that if all of the cuts were made for September 2002, the staffing re-scheduling may be massive, possibly affecting all schools and many students.

b. Implement Some of Staff's Recommendations

Many alternatives lie within the "some" changes category. Based on our discussions with OCDSB Staff, it may be more feasible to implement some of the reductions for September 2002, and adopt a long-term plan for additional cuts in January and September 2003. Adopting a longer-term plan would assist students in their transition to a different special education delivery model, one that was intended and recommended by the Staff in 1999.

OCDSB Staff has indicated that it would be more feasible to reduce the number of SERT's (special education resource teacher) and SELC's (special education learning centre) than it would be to reduce the number of congregated classes. Since the OCDSB does not have a complete system in place to prioritize the students, it may be more reasonable to introduce such a system in 2002-2003, which can then be fully implemented for 2003-2004.

c. Long-Term

If the alternative chosen for September 2002 is to save approximately $12 million, a plan could be implemented to develop a long-term special education delivery model for the OCDSB. A drastic reduction of services for September 2002 could lead to some problems throughout the school year that can be addressed in 2003-2004.

The large number of staff reductions to SELCs and SERTs would have to be reviewed for the 2003-2004 year. Some SELCs and SERTs could be re-instated in 2003-2004, as other reductions may be feasible to reduce congregated classes, after a prioritized student system is in place. A long-term plan should then be developed for the delivery of special education within the available funding.

Overall, in our opinion, the entire special education delivery system requires extensive evaluation. Perhaps the Trustees have to be more objective in their fund allocation decisions.

15. Recommendation

We recommend that Staff's proposed cost improvements of $11,980,000 be made to special education as soon as is feasible. We have provided one possible option of implementing the required reductions. We recommend that Staff commence implementing the required improvements early in 2002-2003. Staff should consider alternatives that would be least disruptive to the delivery of special education in 2002-2003. But, steps should be taken to become more in line with other Ontario School Boards.

APPENDIX D
SCHEDULE I TO EXHIBIT 11

SPECIAL EDUCATION

Breakdown of Estimated Savings from OCDSB Staff Recommendations Made in February 2002

Category of Employee	Panel	Current (FTE)	Net Proposed Reduction/ (Increase) in FTE Positions	Average Salary (Including Benefits)	Total Estimated Savings
Teaching Positions					
SERT's	Elementary	128	36	$67,000	$2,412,000
SELC's	Elementary	139	35	$67,000	$2,345,000
SERT's	Secondary	34.5	0	$67,000	$0
SELC's	Secondary	22.17	6.17	$67,000	$413,390
Developmental Disability (DD)	Elementary	32	0	$67,000	$0
	Secondary	9.22	0	$67,000	$0
Autism	Elementary	8	(2)	$67,000	($134,000)
Physical Support Unit (PSU)	Elementary	3	0	$67,000	$0
	Secondary	6.66	0	$67,000	$0
Learning Disability (LD)	Elementary	10	4	$67,000	$268,000
	Secondary	15.83	9.83	$67,000	$658,610
Language Learning Disability (LLD)	Elementary	9.5	1	$67,000	$67,000
Dual Diagnosis (DD)	Elementary	2	(2)	$67,000	($134,000)
Behaviour (SSU)	Elementary	14	4	$67,000	$268,000
	Secondary	10.66	4	$67,000	$268,000
Deaf/Hard of Hearing (D/HH)	Elementary	1	0	$67,000	$0
	Secondary	1.33	0	$67,000	$0
Reintegration	Secondary	1.33	1.33	$67,000	$89,110
Gifted	Elementary	33	3	$67,000	$201,000
Primary Assessment Centre (PAC)	Elementary	10	10	$67,000	$670,000
General Learning Program	Elementary	19	14	$67,000	$938,000
	Secondary	14	8.17	$67,000	$547,390
Central Teaching Positions	Elementary	14	11	$67,000	$737,000
	Secondary	3	2	$67,000	$134,000
Itinerant Teachers of the Visually Impaired	Elementary	18.3	0	$67,000	$0
Workplace	Elementary	1	1	$67,000	$67,000
		560.5	146.5		
Total Savings					**$9,815,500**
Educational Assistants ("EA's")					
EA's		539.5	8	$36,354	$290,832
Total Savings					**$290,832**
Support Personnel					
Psychologists		20	6	$70,000	$420,000
Speech and Language		23	9	$70,000	$630,000
Social Worker		20	6	$70,000	$420,000
Occupational Therapists		1.7	0	$70,000	$0
Physiotherapist		1	0	$70,000	$0
		65.7	21		
Total Savings					**$1,470,000**
Special Education Summer Learning Program *					**$375,000**
Total Special Education Savings					**$11,951,332**
Estimated Cost Savings Used by the Staff In The 2002-2003 Budget					**$11,980,000**

* Note: OCDSB staff have not included the costs of transportation for the Summer Learning Program of approximately $100,000 in its proposed improvements to special education.

Schedule I to Exhibit 11 (Continued)

Potential Severance Implications

Part A

	OCDSB Staff Recommended Reductions (FTE)	Number of Vacant Positions As of July 11, 2002 (FTE)	Number of Layoff Notices Required (FTE)
Total Teacher Position Reductions:			
Elementary	115	159.25	0
Secondary	31.5	76.35	0
	146.5	235.6	0
Total Educational Assistant Reductions	8	18.5	0
Total Support Personnel Reductions			
Psychologists	6	2	4
Speech and Language	9	4.3	4.7
Social Worker	6	0	6

Part B

	FTE Positions To Be Given Notice	Years of Service Based on Review of Seniority List	Average Salary for FTE Position	Estimated Severance Costs (1 month of pay for each year of service)
Psychologists				
	1	7.5	$79,575	$49,734
	0.6	5	$47,745	$19,894
	0.8	4	$63,660	$21,220
	1	2	$79,575	$13,263
	0.6	2	$47,745	$7,958
	4			$112,068
Speech and Language				
	1	7	$63,366	$36,964
	0.7	6	$44,356	$22,178
	0.5	6	$31,683	$15,842
	0.6	5	$38,020	$15,842
	1	4	$63,366	$21,122
	1	4	$63,366	$21,122
	4.8			$96,105
Social Workers				
	0.9	12	$61,509	$61,509
	0.8	12	$54,674	$54,674
	0.7	11	$47,840	$43,853
	1	11	$68,343	$62,648
	0.8	11	$54,674	$50,118
	0.6	9	$41,006	$30,754
	0.8	7	$54,674	$31,893
	0.3	4	$20,503	$6,834
	0.1	0.5	$6,834	$285
	6			$342,569
Total Severance Costs				$550,743

APPENDIX D

EXHIBIT 12

OCCASIONAL TEACHER BUDGET

Current Operating Budget:	$7,200,000
Staff-Recommended Budget Reductions (February 2002):	$2,600,000
Staff-Recommended Budget Reductions (May 2002); An Additional	$2,000,000
Approved Budget Reduc tion By the Board of Trustees (February 2002):	$2,600,000

1. Staff-Recommended Budget Reductions

Analysis

An occasional teacher is used to cover classes of a regular classroom teacher when he/she is absent from school, is attending a training course, or is assisting in other programs (i.e., the mentoring program). The OCDSB has been operating at a significant budget deficit for occasional teachers for the last several years. According to the Staff, the budget deficit is primarily a function of "usage" and not "wages". It appears that the OCDSB has not been successful in decreasing teacher absentee rates. We have been informed that the OCDSB suffers a relatively high rate of teacher absenteeism.

In February 2002, the Staff recommended that the occasional teacher budget (expenditures) be reduced by $2.6 million. In May 2002, the Staff recommended an additional reduction to the occasional teacher budget of $2,000,000, in order to bring the budget in line with the available provincial funding for occasional teachers.

The Staff plans to achieve significant reductions in the use of occasional teachers by implementing systems that would (a) monitor key information such as the number of Monday and Friday absences; (b) provide motivation to each school administrator by allowing each school to keep unspent occasional teacher budgets; and (c) begin providing short-term day care at the school for teachers with small children. The Staff has admitted that these programs and ideas are still at an early stage of development and are not likely to be in place for September 2002.

A reduction in the use of occasional teachers will not lead to any incremental implementation or severance costs. The occasional teachers are part of a pool of available teachers who are on-call and are employed on a daily basis, as needed by the OCDSB. Based on our discussions with OCDSB human resources staff, occasional teachers do not have any rights to a notice period, recall period, or rights to severance. Therefore, there are no direct financial obligations to reducing the usage of occasional teachers.

The implications of reducing the occasional teacher budget will impact both teachers and students. The ability of schools to replace absent teachers with supply teachers will be compromised. It is likely that many short-term teacher absences will not be covered, likely resulting in the increased use of study hall in secondary schools and class redistribution in elementary schools.

2. Approved Budget Reduction By the Board of Trustees

Analysis

The Trustees approved and adopted the Staff's February 2002 recommendation of reducing the operating budget by $2,600,000. The Trustees did not accept any of the subsequent Staff recommendations that were made in May 2002.

3. Alternatives

a. Implement All Staff Recommendations

Implementing the entire $4.6 million in recommended budget reductions would eliminate the budget deficit that has been experienced in the area of occasional teacher budgets in the last few years. As previously mentioned, the efforts that are needed to implement such a reduction would be minimal and would not require any incremental severance or significant implementation costs to be incurred. Thus, this alternative would be both legally and logistically feasible for the upcoming school year.

One significant concern is the OCDSB's ability to effectively reduce the rate of absenteeism among teachers, as well as its ability to reasonably implement the intended improvement programs. Such efforts will likely take some time to accomplish and will undoubtedly cause some incremental costs. The costs cannot be reasonably estimated at this time. In essence, it may be difficult for the OCDSB to successfully achieve such reductions to the supply teacher budget. In order to achieve the contemplated budget reductions, many students will have less instructional teaching and spend more time in unsupervised settings such as "study hall". However, the effectiveness of supply teachers who handle one or two day assignments needs study to ascertain the cost-benefit relationship.

b. Implement Some of Staff's Recommendations

Implementing only $1 million (instead of the May 2002 Staff-recommended budget reduction of $2 million) in additional budget reductions, or some other amount between $0 and $2 million, is another alternative. A compromise alternative would essentially allow the OCDSB to bring their expenditures in line with the available funding over a two-year period, instead of in one school year. Such a choice would allow schools, teachers, and students time to adjust to the restricted usage of occasional teachers.

4. Recommendation

We recommend that Staff's total cost effectiveness proposals of $4.6 million to the occasional teacher budget be implemented for 2002-2003, unless evidence can be presented that short-term supply teaching benefits exceed the costs.

APPENDIX D

EXHIBIT 13

SCHOOL BUDGET ALLOCATIONS

Current Operating Budget:	$9,100,000
Staff-Recommended Budget Reductions (February 2002):	$2,000,000
Staff-Recommended Budget Reductions (May 2002):	$1,000,000
Approved Budget Reduction By the Board of Trustees (February and May 2002):	$0

1. Staff-Recommended Budget Reductions

Analysis

As part of the budget process, the OCDSB allocates an operating budget to each school, which is then used throughout the school year for the purchase of supplies and materials. The budget for each school is based upon its student enrolment. We understand that each school is free to use its operating budget as it deems appropriate.

Historically, we understand that it has been OCDSB's policy to allow each school to retain any unspent portion of its allocated operating budget. As of the end of the 2001-2002 school year, the combined amount of unspent operating budgets (i.e., school reserves) for the entire Board was approximately $3 million. In February 2002, the Staff recommended that a total of $2 million, out of the $3 million in school reserves, be taken from the individual schools and applied to other areas of the OCDSB budget. In May 2002, the Staff then decided to also use the remaining $1 million in school reserves, thereby reducing the operating reserves of the schools to nil.

It appears that the Staff has effectively changed its policy on allowing individual schools to retain their operating reserves. The Staff's recommended budget reductions in this area could cause a significant amount of dissension in most of the schools. In essence, the Staff's recommendation serves to penalize schools that have conserved their allocated school operating budget in the past, while benefiting the schools that have consumed their entire allocated budgets. The inability of certain schools to use their operating reserves to purchase supplies for the upcoming year may simply cause some schools to spend next year's allocated budget much quicker. Furthermore, the Staff's recommendations could cause a shortage of necessary materials and supplies in the schools.

According to the Staff, the implementation of the Staff-recommended reductions for the upcoming school year could be legally and logistically completed within a few weeks.

2. Approved Budget Reduction By the Board of Trustees

Analysis

The Board of Trustees have not approved any of the Staff-recommended budget reductions in the area of "School Budget Allocations". The reasoning employed by the Board of Trustees in making such a decision was not evident from our review of the minutes. We assume that the Trustees were of the opinion that the reduction in the school reserves would cause material disruption to the schools, teachers, and students for the upcoming school year.

Allowing the individual schools to retain their operating reserves would obviously be the most appealing and equitable alternative from each individual school's perspective. The question becomes whether the individual schools or the OCDSB can maximize the utility of those dollars (i.e., the $3 million in operating reserves that are on the books of the individual schools). For example, can the funds be better utilized in improving areas such as transportation? If it is determined that the funds could be more efficiently utilized at the individual school level, then allowing the schools to keep their operating reserves may be the best alternative in the long-run.

3. Alternatives

a. Implement All Staff Recommendations

The Staff's recommendations may create a "use it or lose it" attitude among individual school administrators in the future. Such an attitude may not encourage the schools to make the most efficient use of their allocated school budgets. However, given the current financial situation of the OCDSB, measures that would improve the efficiency of supply utilization are necessary. An argument could be made that the $3 million in operating reserves held by the schools could be more efficiently used by the OCDSB in other areas that need additional funding. Given the current financial situation, it is important to carefully consider each available alternative. This alternative can be implemented for the upcoming school year and should therefore be strongly considered as it can potentially save an additional $3 million. Of course, eliminating all of the school's operating reserves may ultimately result in the need to increase the school budget allocations in future years as the materials and resources in each individual school will need to be replenished or replaced.

Perhaps, to achieve equity across the OCDSB schools, the amount of dollars allocated to each school can be proportionately reduced for the future. But, this approach does not solve the 2002-2003 cash shortfall.

b. Implement Some of Staff's Recommendations

Another alternative is for the OCDSB to take only $2 million of the $3 million or two-thirds of an individual school's operating reserves. This is consistent with the Staff's original recommendation in February 2002. Such a compromise would alleviate some of the anticipated backlash from the individual schools. Furthermore, it will allow the schools to retain $1 million in operating reserves to purchase the necessary materials and supplies. Thus, the "two-thirds" approach may reduce the future need to increase the school budget allocations so as to replenish depleted materials and resources. The shortfall of this recommendation is that it will still create a "use it or lose it" future attitude among the individual school administrators. It is likely that school administrators will decide to fully utilize the $1 million in remaining operating reserves in the upcoming year because they would fear that it may be taken away from them in the following years as part of subsequent budget reductions. Nevertheless, this alternative may still provide a suitable compromise between the previous two alternatives.

4. Recommendation

We agree with Staff's recommendation that the unspent operating budgets be returned to the Board. Such a recommendation would result in approximately $3 million of funds being available to balance the budget.

APPENDIX D

EXHIBIT 14

ELEMENTARY SCHOOL VICE-PRINCIPALS

Current Operating Budget:	$4,000,000
Staff-Recommended Budget Reductions:	$160,000
Approved Budget Reduction By the Board of Trustees:	$160,000

1. Staff-Recommended Budget Reductions

a. Analysis

The Staff recommended reducing two elementary vice-principal positions. The elimination of two elementary vice-principals would require changes to the current allocation of elementary vice-principals within several schools. The Staff plans to perform an analysis of the current allocation of elementary school vice-principals and make the necessary adjustments. In effect, some elementary schools, which had one vice-principal, may now have an allocation of only one-half a vice-principal. The process of shuffling the remaining elementary vice-principals would have to be undertaken in conjunction with the recommendation of "twinning" elementary schools (i.e., having the twinned schools share the services of a single vice-principal) so as not to duplicate efforts.

The implications of reducing two elementary vice-principals are to reduce student supervision in some schools, thus partly compromising the education of students. Also affected are the opportunity for teachers who aspire to become administrators, access to administrative staff by parents, students, and staff, and increased responsibilities for elementary school principals.

b. Quantitative Analysis

Position	**Number of FTE Positions to be Reduced**	**Average Salary (Including Benefits)**	**Total Estimated Savings**
Elementary School Vice-Principals	2	$79,606	$159,212

c. Severance Implications

According to our discussion with the Staff in the OCDSB human resources department, as of June 24, 2002, a total of nine elementary vice-principal positions were vacant and had not been filled for the 2002-2003 school year. Therefore, the two elementary vice-principal positions that will be reduced as a result of the Staff's recommended budget reduction can be absorbed by the current vacancies, and no incremental severance costs should result. However, the severance implications for elementary vice-principals cannot be reasonably estimated until the impact of the "twinning elementary schools" recommendation is also considered.

2. Approved Budget Reduction By the Board of Trustees

The Trustees approved the Staff's recommendation to eliminate two elementary vice-principals, for estimated cost savings of $160,000.

3. Recommendation

We recommend that the Staff implement the budget reductions that were approved by the Trustees. We understand that the Staff believe that this approved budget reduction could be legally and logistically completed for the upcoming school year. We do not recommend any additional budget reductions to the elementary vice-principal budget for the upcoming school year. Time is required to ascertain the impact of eliminating two vice-principal positions.

APPENDIX D

EXHIBIT 15

SECONDARY SCHOOL VICE-PRINCIPALS

Current Operating Budget:	$4,600,000
Staff-Recommended Budget Reductions:	$350,000
Approved Budget Reduction By the Board of Trustees:	$350,000

1. Staff-Recommended Budget Reductions

a. Analysis

The Staff has recommended that the total number of secondary school vice-principals be reduced by four FTE. Such a reduction would decrease the number of secondary vice-principals from 53 to 49. Currently, every secondary school has one principal and two vice-principals. Therefore, a number of secondary schools may be impacted by the change, as several vice-principals would likely have to be reassigned, on the basis of seniority.

The elimination of four secondary school vice-principals will realize estimated savings of approximately $350,000 (see quantification below). According to the Staff, there would not be any incremental severance costs related to the elimination of the positions, as adequate vacant positions exist (as of June 24, 2002).

The implications of eliminating secondary school vice-principals include: reduced student supervision in a number of schools; possible compromises to access by parents, students, staff, and others; decreased time for curriculum overview and training; decreased time to evaluate the quality of staff; and, decreased growth opportunities for teachers. However, it is important to remember that the Staff's recommendation, ultimately, will impact only a few of the secondary schools.

b. Quantitative Analysis

Position	Number of FTE Positions to be Reduced	Average Salary (Including Benefits)	Total Estimated Savings
Secondary School Vice-Principals	4	$83,789	$335,156

c. Severance Implications

According to our discussion with the Staff in the OCDSB Human Resources department, as of June 24, 2002, there are an adequate number of vacant secondary school vice-principal positions that have not been filled for the 2002-2003 school year. Therefore, the four secondary school vice-principal positions could be absorbed by the current vacancies and no incremental severance costs should result.

2. Approved Budget Reduction By the Board of Trustees

Analysis

The Trustees approved the Staff's recommendation of eliminating four FTE secondary school vice-principal positions for total estimated savings of about $350,000.

3. Recommendation

We recommend that the Staff implement the budget reductions that were approved by the Trustees. We understand that the Staff is in the process of making the changes for the 2002-2003 school year and that such changes can be legally and logistically completed. We also believe that such changes can be made for the 2002-2003 school year without having a material impact on the day-to-day operations of the secondary schools.

4. Long-Term Cost Savings (For September 2003 and/or Beyond)

On a long-term basis (i.e., for the 2003-2004 school year and beyond) we would suggest that a study be conducted, Board-wide, on the impact of further reducing the number of secondary school vice-principals.

APPENDIX D

EXHIBIT 16

SECONDARY SCHOOL OFFICE ALLOCATION

Current Operating Budget:	$5,200,000
Staff-Recommended Budget Reductions:	$420,000
Approved Budget Reduction By the Board of Trustees:	$0

1. Staff-Recommended Budget Reductions

a. Analysis

Currently, the OCDSB's policy is to allocate four full-time equivalent ("FTE") office staff to each secondary school. In recent years, each secondary school employed a minimum of one office administrator, one assistant office administrator and two office assistants. The Staff's proposed recommendation would effectively reduce the base for each school from four FTE office staff to three and one-half FTE office staff. The proposed reduction would eliminate 13.5 FTE office staff (educational support personnel). The Staff estimates that the implementation of its recommendation would yield approximately $420,000 in annual savings (described later).

The contemplated reductions could affect the office staff's ability to perform such administrative tasks as maintaining student attendance and student transfer records, assisting with student information systems, and providing timely information to teachers and parents. The scope and quality of service provided by the secondary school office staff could decline. The reductions to the office staff will inevitably mean that the remaining staff will have to assume a greater workload, which may result in increased absences and reduced employee morale. The need for temporary assistance may increase, which would mitigate some of the desired cost savings.

According to the Staff, this recommendation could be introduced by the start of the 2002-2003 school year. Implementation would necessitate the reorganization of some of the office staff among many of the secondary schools. As discussed below, the Staff is confident that the number of existing vacant positions (as of June 24, 2002), and the high staff turnover rate that typically occurs among office staff employees, could absorb the positions that will be eliminated by implementing this budget reduction.

b. Quantitative Analysis

Position	**Number of FTE Positions to be Reduced**	**Average Salary (Including Benefits)**	**Total Estimated Savings**
Secondary School Office Staff	13.5	$32,258*	**$435,488**
Estimated Savings Used by the OCDSB Staff			**$420,000**

* The average secondary school office staff salary, including benefits, is $38,710. However, the office staff who will be reduced as a result of this recommendation are personnel who work only 10 months of the year. Therefore, their salaries are pro-rated as follows: $38,710 times 10/12 = $32,258.

c. Severance Implications

According to our discussion with OCDSB Staff in the human resources department, as of June 24, 2002, there were a total of 20 educational support positions that had not been filled for the 2002-2003 school year. We have assumed that the 13.5 secondary school office staff positions that could be reduced as a result of the Staff's recommended budget reduction could reasonably be absorbed by the current vacancies, and no incremental severance costs should result. However, such a calculation assumes that the skills and qualifications of the displaced employees will reasonably match the qualifications and skills that are required for the vacant positions.

2. Approved Budget Reduction by the Board of Trustees

Analysis

The Trustees did not approve the Staff-recommended budget reductions for "Secondary School Office Allocation". The Trustees decided that the recommended budget reductions would have too much of a negative effect on the level of service provided by the secondary schools to the teachers, students, and parents.

3. Alternatives

a. Implement All Staff Recommendations

Implementing the Staff's recommended budget reductions of reducing the base office staff at secondary schools from four (4) FTE to three (3) and one-half (1/2) FTE would result in estimated annual savings of $420,000 per year. As previously mentioned, reducing the office staff at each school could affect the administrative services that are currently provided by the office staff for the teachers, parents, students, and school administrators. Nevertheless, such implications are relatively less significant when compared to proposed budget reductions in core educational areas such as classroom teachers and special educational programs. We understand that the implementation of this budget reduction could be legally and logistically completed for the upcoming school year.

b. Implement Some of Staff's Recommendations

Another alternative would be to consider approving and implementing a portion of the Staff-recommended reductions. For example, instead of eliminating 13.5 FTE office staff, a total of six or seven office staff could be eliminated. Presumably, implementing only one-half the recommended reductions would reduce the expected cost savings from $420,000 to approximately $210,000.

4. Recommendation

We recommend that the Staff's proposed reductions be implemented for 2002-2003 in order to balance the OCDSB budget. As a result, the base office staff at secondary schools should be reduced to three (3) and one-half (1/2) FTE, generating annual cost savings of $420,000.

5. Long-Term Cost Savings (for September 2003 and/or beyond)

Any long-term savings will be a direct function of the choices that are implemented for the 2002-2003 school year. An examination of office staff's tasks and duties is in order, to determine whether paid hours can be curtailed.

APPENDIX D

EXHIBIT 17

TECHNICAL SUPPORT IN SECONDARY SCHOOLS

Current Operating Budget:	$1,800,000
Staff-Recommended Budget Reductions:	$850,000
Approved Budget Reduction By the Board of Trustees:	$0

1. Staff-Recommended Budget Reductions

a. Analysis

Currently, on average, the OCDSB allocates a minimum of one and one-half (FTE) technicians to each secondary school, with many secondary schools currently employing two technicians. Technicians can specialize in the following areas: computer, library, guidance, science, audio-visual, and technological studies. Each secondary school principal is given the freedom to choose the area of specialization for the allocated technicians.

The Staff's proposed recommendation would effectively reduce the number of allocated technicians in each school to a maximum of one technician. The proposed reduction would eliminate 24.5 FTE technicians from the current base of 51.5 FTE technicians. The Staff estimates that the implementation of its recommendation would yield total annual cost savings of approximately $850,000. (See below for calculation of the savings and any anticipated severance implications.)

The implication of reducing the secondary school technicians by almost 50% would be an immediate and significant reduction in the scope and quality of technician services that are available to support students and Staff. Furthermore, schools may have to incur incremental costs to pay outside parties to perform the services that previously had been provided by the in-house technician (i.e., audio-visual repairs and maintenance). Such expenditures could lead to a reduction in the anticipated savings.

According to the Staff, this recommendation could be feasibly introduced by the start of the 2002-2003 school year. Implementation may require the re-assignment of technicians to many of OCDSB's secondary schools. The movement of technicians would be based on relative seniority and on the particular area of specialization. The secondary school principals will have to decide on the specialization of their in-house technician (i.e., audio-visual, computers, etc.). Movement and elimination of technicians could only be completed after all principals has specified their preferences. Thus, the full implementation of this recommendation will likely not occur until mid-September or later. According to the Staff, there is an adequate number of vacant positions in the technician employee group to absorb most of the eliminated positions. However, it is important to consider that the vacant positions may not match the desired skill sets. If a "match" of skills and qualifications is not found, it may not be possible to release some of the non-required technicians. According to the educational support personnel collective bargaining agreement (to which the technicians belong), the employees are entitled to a 30-day notice period and placement on a recall list. It is probable that some incremental severance costs will be incurred as a result of implementing this recommendation. The expected severance costs cannot be reasonably quantified at this time (see further discussion below).

b. Quantitative Analysis

Position	**Number of FTE Positions to be Reduced**	**Average Salary** (Including Benefits)	**Total Estimated Savings**
Secondary School Technicians	24.5	$33,998	**$832,951**
Estimated Savings Used by the Staff			**$850,000**

c. Severance Implications

According to OCDSB Staff in the human resources department, as of June 24, 2002, a total of 20 educational support personnel (ESP's) positions were vacant and had not been filled for the 2002-2003 school year. Therefore, 20 out of the 24 technician positions that would be eliminated as a result of the Staff's recommended budget reduction could conceivably be absorbed by the current vacancies. However, that result assumes that there is a match of skills and qualifications between the vacant positions and the employees who would otherwise lose their jobs. The educational support personnel group includes a wide array of employees such as office assistants and technicians. Given the specialized skill of the technicians, it is unlikely that the eliminated technicians could fill all of the currently vacant positions. Thus, it is very difficult to reasonably estimate the severance costs that may have to be incurred if this recommendation is implemented. Nevertheless, we have estimated that in a worst case scenario, the incremental severance costs could be as high as $70,000.

Average Years of Service for all 24.5 FTE positions = 1 year
(based on our review of the ESP seniority listing)

Average Salary for ESP's = $33,998

Severance Costs = 1 month per year of service

Average Severance Costs = [$33,998 times (1/12)] times 24.5 FTE = $69,412

---

2. Approved Budget Reduction by the Board of Trustees

Analysis

The Trustees decided to maintain the level of secondary school technicians at the current level and to not make any reductions to the budget for the upcoming school year. The justification and reasoning used by the Trustees is not well documented in the relevant minutes.

3. Alternatives

a. All Recommended Budget Reductions

Implementing the Staff's recommended budget reductions of secondary school technicians from under two FTE to one FTE would result in estimated annual savings of $850,000 per year. As previously mentioned, the implications of reducing the technicians include a reduction in the level of services and support compared to what are currently provided. Nevertheless, such implications are relatively less significant when compared to proposed budget reductions in core educational areas such as classroom teachers and special educational programs and services.

b. Some Recommended Budget Reductions

An alternative in this area would be to reduce the number of FTE technicians per school from two to one and one-half for the upcoming school year, and then from one and one-half to one for the 2003-2004 school year. This alternative would be a compromise between not making any changes to the number of secondary school technicians, and reducing technician support by approximately 50% in each secondary school for the upcoming school year. This compromise would allow for the Staff's recommended budget reductions to be attained over a two-year period. Implementing the recommended budget reductions over a two-year period would ultimately result in the elimination of approximately 12 FTE technician positions in each year for total cost savings of approximately $425,000 per year.

4. Recommendation

We agree with Staff's recommendation to reduce the number of FTE technicians to one FTE technician per secondary school. Such a recommendation would result in annual cost savings of approximately $850,000. The cost savings of $850,000 would assist in balancing the budget for 2002-2003.

APPENDIX D

EXHIBIT 18

OTHER TRUSTEE BUDGET REDUCTIONS

Additional Budget Reductions That Were Proposed And Approved By the Board of Trustees:	**$2,268,849**
Broken Down As:	
Part A	
Director's Operating Budget	$90,000
Trustees' Operating Expenses	$20,000
Additional Reductions in Staff Development and Quality Assurance	$200,000
In-School Instruction-Central Projects	$25,173
Admissions & Enrolment	$4,950
Purchasing/Material Management	$60,851
Custodial Services/Trades and Maintenance	$711,026
Plant Supervisors	($5,931)
Design & Construction	$50,000
Transportation	$34,500
Real Estate	$20,000
Health & Safety	$40,000
Ottawa-Carleton Assembly of School Councils	$3,500
Sub-total	**$1,254,069**
Part B	
Plus: Additional 10% Reduction to All Central Department Budgets	$1,014,780
Total	**$2,268,849**

1. Approved Budget Reduction By the Trustees

Analysis

In February 2002, the Trustees approved an additional $2.27 million in central administration budget reductions for the 2002-2003 school year that had not been originally recommended by the Staff. Central administration costs were one of the few budget areas where the Trustees reduced funding beyond the Staff's recommendations. The OCDSB is operationally-structured into different central departments (which are different from the spending envelopes) such as planning, finance, labour relations, payroll, and admissions and enrolment. The primary function of the central departments is to support the network of OCDSB's schools, teachers, students, parents, and Trustees.

The Trustees conducted a line-by-line review of the actual expenditures versus the budget analysis for the 2001-2002 school year, and noted all accounts for which the 2001-2002 budgeted amount had not been fully spent. The Trustees' methodology for arriving at part of the budget reductions was to eliminate the unspent portions in each account for the 2002-2003 budget. This analysis resulted in $1.25 million of budget reductions to central administration (shown as Part A above). Further, the Trustees decided to reduce each central departmental budget by an additional 10% (less any budget reductions that had already been approved) for the 2002-2003 school year. The application of a "blanket" 10% reduction to the departmental budgets resulted in an additional decrease to the overall 2002-2003 budget of approximately $1 million (see Part B above). The budget reductions will primarily impact the operational budgets of each department and may also affect the number of employed personnel in each department. We have reviewed the analysis that was conducted by the Staff to arrive at the budget reductions (based on the Trustees' methodology) and have confirmed that the numbers noted in the Staff's analysis are reasonable.

According to the Staff, the budget reductions have already been implemented for September 2002. However, the Staff has stressed that these additional budget reductions to certain departments will undoubtedly have a material impact on their ability to efficiently and effectively deliver the level and quality of service that is expected from them.

2. Alternatives

a. Make All Recommended Reductions

The Trustees have approved an additional $1 million reduction to the central administration budgets. In our opinion, and in the opinion of others, the Trustees have not seriously considered the extent and importance of the functions that are performed by central administration. In essence, in the current financial atmosphere, the assistance and support of key central administration departments such as finance and human resources is crucial. The Trustees have to rely upon central administration departments like finance to provide them with the necessary information and analysis to make decisions.

The continued implementation of the Trustees' reductions to the central department budgets would yield annual cost savings of approximately $2.27 million. A "use it or lose it" attitude may surface in the central departments if any "savings" in one year have to immediately be passed back to the Trustees. On the other hand, the OCDSB unfortunately finds itself in a self-chosen weak financial position, and as a result has to make many difficult budget improvements to various areas. Therefore, from an equity perspective, it is reasonable that central departments should also be impacted by the process of attempting to balance expenditures with the available funding.

b. Make Some Recommended Reductions

A compromise alternative would be to implement only the budget reductions that are included in Part A of the above table (i.e., unspent dollars) and only one-half of the recommended $1.014 million budget reduction to the central administration budgets (i.e., $1.014 million times 50% = $0.507 million). This alternative would result in a total budget reduction of $1.76 million, instead of the approved budget reduction of $2.27 million.

3. Long-Term Cost Savings (for September 2003 and/or beyond)

If the $2.27 million in approved reductions are made to the 2002-2003 budget, we would not recommend any additional reductions to the central department budgets in 2003-2004. It is not yet known whether the central departments can absorb any further reductions to their operating budgets without affecting the operational effectiveness of the Staff and governance body. Operational effectiveness should be evaluated prior to making further budget changes.

4. Recommendation

We recommend that the $2.27 million of approved cost improvements be made to the 2002-2003 budget. In one year, a further cost-benefit evaluation should occur.

APPENDIX D

EXHIBIT 19

TWINNING OF PRINCIPALS AT ELEMENTARY SCHOOLS

Current Operating Budget:	1,000,000
Staff-Recommended Budget Reductions:	$500,000
Approved Budget Reduction By the Board of Trustees:	$0

1. Introduction

On average, the OCDSB currently has at least one principal at every elementary school. Some elementary schools are smaller and are not at full capacity, whereby it may be feasible for one principal to service two schools.

In May 2002, after the first "round" of reductions was not approved, the Staff recommended that twelve elementary schools be "twinned", such that one principal would be responsible for two schools.

In the Committee of the Whole (Budget) minutes dated May 23, 2002, the following criteria were set for the twinning of schools:

a. Geography
b. Proximity
c. Size
d. Program

During the same budget meeting, the following pairs of elementary schools were identified as potential twinning candidates (totalling 22 schools):

1. Bayview and General Vanier
2. Elgin and Viscount Alexander
3. Rideau Valley and Kars
4. Arch Street and Pleasant Park
5. Fallingbrook and Riverview (Cumberland)
6. Mutchmor and First Avenue
7. Hilson and Elmdale
8. Jockvale and Barrhaven
9. Knoxdale and Greenbank
10. Sir Winston Churchill and Parkwood Hills
11. Lakeview and Bayshore

The attached schedule, prepared by OCDSB Staff, summarizes the relevant criteria for each elementary school that was considered for twinning.

The Staff recommended that six of the eleven pairs be selected as twinned elementary schools. Such a recommendation would result in the reduction of six full-time principal positions, and cost savings of approximately $500,000. (Based on the average salaries of principals for 2001-2002 of $88,500.)

We understand that the Board currently has nine "acting pay" principals for September 2002. "Acting pay" principals are people qualified for vice-principal or a lower position who are serving as principals and receive the salary of a principal. Acting pay principals can be re-staffed within the system without being laid off. Thus, if eighteen elementary schools were twinned, nine acting pay principals would be "bumped" down to vice-principal positions. We are not aware of any union rights that would prevent the "bumping" down of principals.

Once a principal is "bumped" down, it could cause a domino effect. Some acting pay vice-principals may have to be "bumped" down into teaching positions. Vice-principals and teachers face "bumping rights", based on seniority. For example, if an acting pay vice-principal is "bumped" to a teaching position, the vice-principal may choose the class that she or he would like to teach. If a teacher is already staffed in a certain class and the vice-principal has more seniority than the existing teacher, the vice-principal may "bump" the teacher from that class. The teacher may then choose another class to teach and "bump" the existing teacher, dependent on the seniority level. The bumping process continues along throughout the system, and may take more than one month before staffing is adjusted and re-scheduled.

Some schools that will be twinned could lose principal time, but may require additional vice-principal time. As a result, additional re-scheduling could take place in the system with respect to vice-principals to ensure that there are sufficient principals or vice-principals to accommodate all schools. We understand that the OCDSB currently has 14 acting pay elementary vice-principals, which should be sufficient to allow for nine principals to be "bumped" down, if required.

If eighteen elementary schools were twinned, there would be a reduction of nine acting pay principals. Such a recommendation could result in savings of approximately $800,000. (The calculation is based on the average principal salary of $88,500 x 9 = $796,500.)

2. Short-Term

a. Legally Feasible

The feasibility of the twinning recommendation is dependent upon the number of elementary schools that will be twinned and the number of acting pay principals who are currently in the OCDSB's system. We understand that the OCDSB has nine acting pay principals, who could be "bumped" if eighteen elementary schools were twinned. As discussed above, the bumping rights would be triggered, and the staffing process could take a while. If there are sufficient acting pay principals to "bump" down nine principals without breaching any collective bargaining agreements, it would be legally feasible to twin up to eighteen elementary schools for September 2002.

If the schools were twinned for September 2002, the elementary school system may need to be re-staffed. It would not be possible for the re-staffing and re-scheduling to begin to take place until the end of August, when the teachers return to work. As a result, there may be some classroom disruption wherein teachers are re-assigned after the beginning of school in September.

b. Other Factors

Other implications of twinning the principals would be the reduction in access to the principal by parents, students, staff and others, particularly where schools are physically separated by longer distances. Dependent on the size of schools, the principal may have increased difficulties in scheduling staff meetings, parent nights, school councils and similar. As the principal will be responsible for two schools, it will decrease the time available at each school for curriculum leadership, supervision of staff, response to school safety issues and response to student, staff and parent issues.

The principal's duties will be doubled in that he/she will be responsible for two schools' budgets, two school profiles and school improvement plans, two sets of EQAO testing and reports, and two Ministry reports. Nevertheless, we understand that other School Boards in Ontario implemented the twinning of principals at elementary schools several years ago.

3. Alternatives

a. Implement All Staff Recommendations

In May 2002, the Staff recommended that twelve elementary schools be twinned, resulting in principal salary savings of approximately $500,000. Such an alternative appears to remain legally feasible for September 2002. The twinning of schools would affect the factors discussed above and may cause some disruption to staffing in September.

b. Other Alternatives

As discussed above, another alternative may be to twin eighteen elementary schools, resulting in the reduction of nine principal salaries, which may be feasible in the Board's staffing for September 2002. Such a recommendation could lead to savings of approximately $800,000.

4. Recommendation

In order to help balance the budget, we recommend that eighteen elementary schools be twinned, resulting in salary savings of approximately $800,000.

5. Long-Term

Based on our discussions with the Staff, if the twinning of the schools is not desirable due to rescheduling for September 2002, an alternate time to implement the twinning may be in January 2003.

Some of the schools that have been listed as candidates for twinning have also been identified as possible school closures. Dependent on the decisions that are made under school closures, it may be possible that some elementary schools that were twinned will no longer be open for September 2003. As a result, the twinning of elementary schools may be a temporary measure to save costs for the 2002-2003 year.

Potential Elementary School Pairs for Twinning

July 10, 2002

School Pairs	Criteria						
	Size						
	Geography (City Sub Areas)	Proximity (km)	Programs	Enrolment 10-06-02	Average Daily Enrolment 10-06-02	Ministry Capacity	Principal /Vice-Principal
Bayview General Vanier	Alta Vista	1.2	Junior Kindergarten – 4 EFI Junior Kindergarten – 3 Eng	267 205	219 171.5	302.5 229	1/0 1/0
Elgin Viscount Alexander	Central Inner	1.9	Junior Kindergarten – 6 Eng/EFI Junior Kindergarten – 6 Eng	255 209	231.5 190	262 179.5	1/0 1/0
Rideau Valley MS Kars	Rural South West	Parking lot apart	6 – 8 Eng/EFI/LFI Junior Kindergarten – 5 EFI	424 162	424 134.5	450 228.5	1/0.5 1/0
Arch Street Pleasant Park	Alta Vista	1.6	Junior Kindergarten – 6 Eng/SE Junior Kindergarten – 6 EFI	295 357	267 304	336 302.5	1/0 1/0
Fallingbrook Riverview (Cumb)	East Urban Rural NE	9.2	Junior Kindergarten – 8 Eng/EFI/SE Junior Kindergarten – 8 Eng	550 74	512 68.5	521.5 229.5	1/1 1/0
Mutchmor First Avenue	Central Inner	1.0	Junior Kindergarten – 8 Eng/SE/Gifted Junior Kindergarten – 6 EFI/5-6 Gifted EFI	364 369	339.5 317	417.5 424.5	1/0 1/0
Hilson Elmdale	Ottawa West	1.0	Junior Kindergarten – 6 Eng/SE Junior Kindergarten – 6 Eng/EFI	198 542	181.5 485.5	432.5 420.5	1/0 1/0.5
Jockvale Barrhaven	South Urban Centre West	0.5	Junior Kindergarten – 5 Eng/EFI Junior Kindergarten – 5 Eng/EFI/SE	427 421	372 381.5	498 424	1/0 1/0
Knoxdale Greenbank MS	Cedarview	One building	Junior Kindergarten – 6 EFI/4-6MFI/5-6 Gifted EFI 7-8 Eng/SE/LFI/EFI/Gifted EFI/7 MFI	415 488	385.5 488	412 584	1/0 1/1
Sir Winston Churchill Parkwood Hills	Merivale	0.3	7-8 Eng/SE/EFI/LFI Junior Kindergarten – 6 EFI	646 406	646 343.5	679.5 436	1/1 1/0
Lakeview Bayshore	Bayshore	1.3	Junior Kindergarten – 5 EFI Junior Kindergarten – 5 Eng/EFI/SE	179 535	152 470	220 632.5	1/0 1/0.5

Note 1: All JK programs are in English.

Note 2: All staffing components and impacts should be verified with Human Resources.

Note 3: SE = Special Education congregated class.

Note 4: Other pairs are possible but have not been analyzed by the School Operations Committee or Planning Staff.
Examples might include: Queenswood/Dunning Foubert
Two of Robert Hopkins, Le Phare, and Henry Munro
R.E. Wilson with either Queen Mary or Queen Elizabeth

Note 5: EFI = Early French Immersion

OTTAWA-CARLETON DISTRICT SCHOOL BOARD
2002-2003 BUDGET REDUCTIONS
BALANCED BUDGET

Appendix D Exhibit No.	Departments	Status Quo Appendix D (Exhibits 1 to 19)	Balanced Budget Appendix D (Exhibits 1 to 19) and Appendix E (Exhibit 1)
	Reductions Required to Balance the Budget (from Appendix C)	**$32,506,695**	**$32,506,695**
		COST IMPROVEMENTS	
1	School Closures	$250,000	$500,000
2	Custodial Budget	$280,000	$280,000
3	Transportation	$500,000	$3,400,000
4	Breakfast Program	$35,000	$35,000
5	Mentoring Program	$100,000	$100,000
6	Instructional Computers	$2,000,000	$2,000,000
7	Superintendent Offices	$310,000	$310,000
8	Media Centre	$0	$150,000
9	Outdoor Education	$0	$350,000
10	Program Division	$350,000	$600,000
11	Special Education	$0	$11,980,000
12	Occasional Teaching Budget	$2,600,000	$4,600,000
13	School Budget Allocations	$0	$3,000,000
14	Elementary School Vice-Principals	$160,000	$480,000
15	Secondary School Vice-Principals	$350,000	$520,000
16	Secondary School Office Allocation	$0	$420,000
17	Technical Support in Secondary Schools	$0	$850,000
18	Other Reductions to Central Admin. Depts.	$2,268,849	$2,268,849
19	Twinning of Elementary Schools	$0	$800,000
	Other	$0	($137,154)
	Total Reductions	**$9,203,849**	**$32,506,695**
	Deficit After Further Reductions / Additional Funding Required	**$23,302,846**	**$0**

Note: The above estimated cost savings do not include any severance or implementation costs. These costs have been discussed in each of the applicable exhibits in Appendix D. It is difficult to ascertain the extent to which severance and implementation costs will be incurred. As a result, we have provided an estimated range of these costs in each applicable Exhibit.

APPENDIX E

EXHIBIT 1

BALANCED BUDGET

1. Introduction

This Exhibit discusses various alternatives that should be helpful in balancing the 2002-2003 budget. We note that OCDSB Staff (as of May 2002) had not recommended the alternatives that are discussed in this Exhibit because of possible problems with their implementation by September 2002. However, for the benefit of OCDSB management and governance officers, we are providing alternate options where implementation could be commenced for September 2002 or January 2003 to have benefits for the 2002-2003 budget. We also are identifying some of the issues and concerns that could be associated with implementing the delivery alternatives.

The process of balancing the budget could be completed in a number of ways, each with its own set of legal and logistical concerns. It is important to emphasize that the alternatives that are discussed in this Exhibit are simply one way to achieve a balanced budget. Other alternatives exist and should be further investigated by the OCDSB Staff and governance board.

To balance the budget, we have specifically explored additional cost alternatives in the areas of school closures, transportation, and elementary and secondary school vice-principals. Budget reductions to other expenditure categories and programs could also be pursued. For example, the elimination of one of the three entry points into the OCDSB's French Immersion program could lead to eventual estimated annual cost savings (mainly transportation-related) of approximately $650,000 per year. Cost savings in the area of custodial and maintenance expenditures could also be pursued. Some of the "other" cost saving areas are discussed in more detail in Appendix G.

2. Additional School Closures

The Trustees have approved the closure of one (1) elementary school for September 2002. The Staff had recommended a total of seven (7) elementary school closures and two (2) secondary school closures for September 2002. By all accounts, the closure of additional schools for September 2002 is no longer feasible. However, we understand that the closure of additional elementary schools for January 2003 (i.e., the second school semester) is feasible.

Based on our analysis of the elementary schools that Staff analyzed for closure in September 2002, we believe that the closure of two (2) additional elementary schools for January 2003 would be feasible. The closure of one elementary school is estimated to yield annual cost savings of $250,000. Therefore, the closure of an elementary school for one-half of a year will yield an estimated savings of only about $125,000. Hence, the elimination of two elementary schools in January 2003 should yield estimated annual cost savings of approximately $250,000, or slightly more.

The effects of closing a school one-half way through the school year are likely to be as follows:

a) Disruption to students, as they may need to change classes or programs.

b) Staff rescheduling, which may result in union grievances.

c) OCDSB planning and administrative staff may have a difficult time co-ordinating a school closure on such short notice.

Nevertheless, the closure of additional elementary schools is a feasible alternative that should be considered to achieve a balanced budget. The closure of elementary schools part way through the school year could have been avoided through earlier actions by the Trustees.

3. Additional Reductions to Transportation

Further reductions to transportation expenditures should also be considered in order to achieve additional cost savings. As recommended by the Staff, one possibility would be to eliminate transportation to specialized secondary programs (such as the International Baccalaureate, Arts, and High Performance Athlete programs) and to congregated gifted programs. The elimination of transportation to the aforementioned programs would yield estimated annual cost efficiencies of approximately $800,000.

The elimination of transportation to these specialized programs could possibly hinder student accessibility to these programs. Furthermore, if students decide not to pursue these specialized programs they would still be eligible to receive transportation to their home school. Thus, the realized cost savings may not be as high as has been estimated above.

Further reductions could be made to the transportation budget by eliminating noon hour busing to junior kindergarten ("JK") and senior kindergarten ("SK") students. The elimination of noon-hour busing to about 3,871 students would yield estimated annual cost savings of approximately $2.1 million. The elimination of noon-hour busing can be achieved by having JK and SK students instructed in full-day kindergarten programs every other day.

Implementing alternate day JK and SK on such short notice may require parents to revise existing baby-sitting and day care arrangements. Concerns have been raised that a full day of school may be exhausting for the kindergarten students. However, it must be noted that other School Boards in Ontario currently have alternating-day JK and SK programs.

The total estimated annual savings from implementing the two aforementioned budget reductions to transportation is approximately $2.9 million ($0.8 million *plus* $2.1 million). Therefore, the total budget reductions to transportation under a balanced budget add up to $3.4 million once we add the previously-approved $0.5 million from the elimination of transportation for grades 7 and 8 in the UTA.

4. Additional Cost Efficiencies for Elementary School Vice-Principals

In an effort to identify additional budget improvement possibilities, we have reviewed the funding formula as it applies to elementary school vice-principals. The funding formula allows for 0.75 FTE elementary school vice-principals for every 1,000 students (ADE). It is projected that the OCDSB will have approximately 47,012 students (2002-2003 School Board Estimates, Schedule 13) for the 2002-2003 school year. According to the funding formula, the OCDSB should have approximately 35 FTE vice-principals (0.75 *times* 47.012). The OCDSB currently employs approximately 47 FTE elementary school vice-principals (i.e., after the trustee-approved elimination of two elementary vice-principal positions). Therefore, the OCDSB has approximately 12 FTE more elementary school vice-principals than the funding formula allows (See Table 1).

Table 1 – Comparison of Actual Elementary School Vice-Principals FTE Versus the Number of Required Elementary School Vice-Principals per the Funding Formula

Required Elementary School Vice-Principals Per the Funding Formula (0.75 per 1,000 ADE)	35.26
Number of OCDSB Elementary School Vice-Principals FTE After Any 2002-2003 Budget Reductions (i.e., 2 FTE)	47.25
Number of OCDSB Elementary School Vice-Principals In Excess of the Funding Formula	**11.99**

Recommending the elimination of a total of 12 FTE additional elementary school vice-principal positions is not immediately feasible for various reasons. The lack of school closures and low utilization rates in many of the OCDSB's elementary schools significantly contributes to the fact that there are more OCDSB elementary vice-principals than are currently required under the funding formula. The closure of additional elementary schools will directly reduce the number of required elementary school vice-principals. However, the Trustees' reluctance to approve school closures has not allowed the reductions to vice-principals to occur.

We recognize that the OCDSB has more elementary school vice-principals than the funding formula allows because of the lack of school closures. But, we would not recommend the elimination of all 12 FTE elementary school vice-principal positions. However, in an effort to help balance the budget, an alternative would be to implement the reduction of an additional four (4) FTE elementary school vice-principal positions. Table 2 estimates the total annual savings from the elimination of four (4) FTE additional elementary school vice-principal positions to approximate $480,000.

Table 2 – Estimated Annual Cost Savings From the Elimination of An Additional Four Elementary School Vice-Principal Positions

Number of Incremental Elementary School Vice-Principal Reductions Required to Balance the Budget FTE	4	
Average Vice-Principal Salary (including benefits)		$79,606
Estimated Savings From the Elimination of the Four Additional Elementary School Vice-Principals (4 FTE)		$318,424
Estimated Savings From Trustee-Approved Reductions to Elementary School Vice-Principals (2 FTE)		$160,000
Total Estimated Savings		**$478,424**

The elimination of an additional four (4) FTE vice-principal positions would mean that there would be a total of six (6) FTE eliminated school vice-principal positions for September 2002. The elimination of six (6) FTE elementary school vice-principal positions would mean that many schools would be impacted by the re-allocation of vice-principals. Despite the drawbacks to a decrease in vice-principals, we feel that reducing additional elementary school vice-principals is a feasible alternative that could be pursued to balance the budget for September 2002.

5. Additional Reductions to Secondary School Vice-Principals

We have also reviewed the funding formula as it applies to secondary school vice-principals. According to the funding formula, there should be 1.5 FTE secondary vice-principals for every 1,000 students (ADE). It is projected that the OCDSB will have approximately 26,642 students (2002-2003 School Board Estimates, Schedule 13) for the 2002-2003 school year. According to the funding formula, the OCDSB should have approximately 39 FTE vice-principals (1.5 *times* 26.642). The OCDSB currently employs approximately 49 FTE secondary school vice-principals. Therefore, the OCDSB has approximately 10 more FTE secondary school vice-principals than they require in accordance with the funding formula. (See Table 3 below).

Table 3 – Comparison of Actual Secondary School Vice-Principals FTE Versus the Number of Required Secondary Vice-Principals per the Funding Formula

Required Secondary School Vice-Principals Per the Funding Formula (1.5 per 1,000 ADE)	38.85
Number of OCDSB Secondary School Vice-Principals FTE After Any 2002-2003 Budget Reductions (i.e., 4 FTE)	49
Number of OCDSB Secondary School Vice-Principals In Excess of the Funding Formula	**10.15**

Recommending the elimination of a total of 10 FTE additional secondary school vice-principal positions is not immediately feasible. As in the case of elementary vice-principals, we recognize that the OCDSB requires more secondary school vice-principals than the funding formula allows because of the lack of school closures and the low school utilization rates. If the decision to close schools had been made in earlier years, the OCDSB would not have excess vice-principals in 2002-2003. In prior years, vice-pricapals could have been placed elsewhere. Therefore, we would not recommend the elimination of all ten secondary school vice-principal positions.

Nevertheless, in an effort to help balance the 2002-2003 budget, an alternative would be to implement the reduction of at least two (2) additional FTE secondary school vice-principal positions. Table 4 estimates the total annual savings from the elimination of two (2) FTE additional secondary vice-principal positions.

Table 4 – Estimated Annual Cost Savings From the Elimination of An Additional Two Secondary Vice-Principal Positions

Number of Incremental Secondary School Vice-Principal Reductions Required to Balance the Budget FTE	2	
Average Secondary School Vice-Principal Salary (including benefits)		$83,789
Estimated Savings From the Elimination of the Additional Secondary School Vice-Principals (2 FTE)		$167,578
Estimated Savings From Trustee Approved Reductions to Secondary School Vice-Principals (4 FTE)		$350,000
Total Estimated Savings		**$517,578**

The removal of an additional two (2) FTE secondary school vice-principal positions would mean that there would be a total of six (6) FTE less secondary school vice-principal positions for September 2002. The elimination of six (6) FTE secondary school vice-principal positions would mean that many schools would be affected by the re-allocation of vice-principals. The implications of eliminating secondary school vice-principals include: (a) reduced student supervision in a number of schools; (b) possible reductions in access by parents, students, staff, and others; (c) decreased time for curriculum overview and training; (d) decreased time to evaluate the quality of staff; and (e) decreased growth opportunities for teachers. Despite the noted drawbacks, we believe that reducing additional secondary school vice-principals is a feasible alternative that could be pursued immediately, to become in phase with Province-wide standards.

APPENDIX F

RESTRICTIONS AND LIMITATIONS TO OUR RECOMMENDATIONS

Due to the relatively short time between our investigation and the start of the 2002-2003 school year (approximately one month) various legal and logistical limitations exist to the cost savings alternatives that could reasonably be proposed in our report. Such limitations could have been avoided if actions had been taken earlier by the Trustees of OCDSB. As we have previously noted, much of our investigation was focused on assessing whether the cost saving recommendations that had been proposed by the Staff (and not approved by the Trustees) in February 2002 and May 2002 could be legally and logistically implemented for the start of the 2002-2003 school year.

The legal and logistical limitations that we encountered include, but are not limited to, the following:

1. Collective Bargaining Agreements

a. Notice Period

The collective bargaining agreements ("CBA") that OCDSB have entered into with the various employee unions require a specific notice period prior to the termination of an employee. For example the CBA for school teachers requires that all teachers must be notified of any eliminated positions for the upcoming school year by no later than June 15th of the same year. Such a restriction significantly limits our ability to propose any additional reductions to the number of classroom teachers.

For most of the other unions, the required notice period is 30 days. It should be observed that "notice" should be given as soon as possible in order to maximize the cost efficiencies that could be achieved. If "notice" is provided by August 15th, then the OCDSB will not be able to effectively realize any savings on the eliminated positions until mid-September, which would lower some of the expected cost savings.

b. Bumping Rights

Some of the union groups have "bumping rights" included within their CBA. In essence, bumping rights allow an eliminated employee to "bump" another employee from a position if the eliminated employee has more seniority and has the required skills to fulfil the job requirements of a potentially "bumped" employee. The existence of "bumping rights" for some of the employee groups raises a concern because the "bumping" process may take as much as one month to complete, as employees can continue to "bump" other employees with less seniority. Any cost savings related to eliminated positions may not be quantifiable until the bumping process is complete.

c. Recall List Rights, and Severance

Most of the employee groups have the right to be placed on a recall list for a period of between 12 and 24 months (dependent on the length of service). Any positions that are subsequently vacant must be filled by reference to the recall list. Employees who are on a recall list are not paid any severance until the recall period is over (i.e., up to 24 months after the employee has been terminated). Many employees on the recall list eventually may not be paid any severance, as some will be re-hired to fill vacant positions. Hence, it is difficult to reasonably estimate the severance costs related to any eliminated positions. Nevertheless, throughout our analysis, we have attempted to estimate the potential severance costs related to each of the recommended alternatives. The amount of severance payable to an employee is specified within each group's CBA. Teachers are paid a percentage of their salary. The percentage is dependent upon a teacher's length of service. Severance for most of the other employee groups is consistent with legislative requirements.

d. Vacant Positions

As of mid-July, there were approximately 200-plus vacant teacher positions in the OCDSB. Therefore, these vacancies could reasonably absorb some teacher positions that may be eliminated as a result of our proposed recommendations. The 200-plus FTE teacher positions are distributed among the elementary and secondary panels, with the majority of the vacant positions being at the elementary level. The OCDSB Staff has noted that 200 FTE vacant positions cannot accommodate the elimination of 200 teachers (i.e., it is not a 1:1 ratio). A "match" of required qualifications and skills must occur between the vacant positions and the displaced teachers. The OCDSB Staff has indicated that in their experience, the ability to reduce 100 teachers would equate to needing approximately 175 to 200 vacant FTE positions in the system. It is important to note that any remaining vacant positions (i.e., after the eliminated positions are absorbed) will have to be filled immediately.

We were also provided with a list of vacant positions in other employee groups as of June 24, 2002. We have considered these vacant positions in our proposed recommendations.

2. School Closing Procedures

Specific procedures and requirements must be completed prior to the closure of any particular school. Community consultation and a public notice period prior to the approval of any closures is necessary. These procedures have been completed for the four elementary schools and one secondary school that the Staff had recommended for closure in early 2002. (The Trustees actually approved the closure of only one school.) Recommending the closure of any of the remaining schools in mid-August would not be logistically feasible in the short time available. Planning and implementation time would be required.

3. Transportation Contracts

A mass reduction in transportation services would result in a material decrease in the number of required buses for transportation. OCDSB's legal counsel has provided an opinion that states that a material reduction in the number of buses may result in litigation from the bus suppliers, due to inadequate notice being given by the OCDSB. It appears that both a legal and logistical obstacle could exist for any recommendation involving a material reduction to transportation services. But, we do not know with certainty what might happen. The Staff has informed us that the logistics of re-designing the bus routes would be difficult to complete by the beginning of September 2002.

APPENDIX G

OTHER POSSIBLE COST SAVING ALTERNATIVES TO BENEFIT FUTURE YEARS

Appendix G includes our analysis of other "areas" (i.e., expenditures, programs, or services) that should be investigated to determine whether additional cost savings could be achieved for the 2003-2004 school year. In our opinion, and in the opinion of the OCDSB Staff, these potential cost saving can be only partially introduced for September 2002. We identified the undernoted budget areas in the course of our investigation. These areas were not included in the OCDSB Staff-recommended budget reductions and thus have not been thoroughly investigated to date. We have not been able to thoroughly explore the following areas due to timing and scope limitations.

The program and service options that are discussed hereunder require phase-in periods of up to several months and/or the further examination of costs and benefits. Most of the following delivery alternatives cannot be fully introduced until late in the 2002-2003 school year, or a subsequent year. However, we believe that it would be worthwhile for the Staff and the Trustees to consider their adoption as soon as possible. Based upon our discussions with OCDSB Staff, it is expected that the following measures will generate appreciable cost savings in the future, once they are fully implemented.

1. French Immersion

The OCDSB currently has an expansive French Immersion program at the elementary school level. The OCDSB currently offers three entry-level points for students who wish to enrol in the French Immersion program. The three entry-level points are senior kindergarten (early), grade 4 (middle) and grade 7 (late).

The OCDSB Staff contemplated the reduction of entry-level points to two or one during the budget deliberations for the 2002-2003 school year. The reduction of entry points was included as options that were "NOT" recommended by the Staff. OCDSB Staff has estimated that transportation savings could amount to $650,000 per year. It appears as though the majority of cost savings related to the reduction of French Immersion entry points would have been made through transportation improvements.

Table 1 shows the number of elementary students who are enrolled in each of the three French Immersion entry points.

Table 1 – Elementary Enrolment for French Immersion

	October 1997	October 1998	October 1999	October 2000	October 2001
Early Entry	15,259	14,267	13,739	13,594	13,491
Middle Entry	386	374	413	518	650
Late Entry	1,041	1,011	979	905	907
Total	**16,686**	**15,652**	**15,131**	**15,017**	15,048

The OCDSB has experienced a decline in its French Immersion enrolment since October 1997.

Table 2 illustrates the number of French Immersion students in the different levels as a percentage of the total elementary enrolment at the OCDSB.

Table 2 – Elementary Enrolment for French Immersion as a Percentage of Total Enrolment

	October 1997	October 1998	October 1999	October 2000	October 2001
Early Entry	30.8%	27.9%	26.7%	26.3%	26.3%
Middle Entry	0.8%	0.7%	0.8%	1.0%	1.3%
Late Entry	2.1%	2.0%	1.9%	1.8%	1.8%
Total	**33.7%**	**30.6%**	**29.4%**	**29.1%**	**29.4%**

Table 2 illustrates that overall, OCDSB's elementary enrolment in its French Immersion program has declined over the years, even as a percentage of the total elementary school enrolment.

ALTERNATIVES

a. Status Quo

Under this option, the French Immersion program would continue to operate with three different entry-level points. Students would continue to have the option of going into French Immersion in kindergarten, or grade 4 or grade 7. This option would not result in additional cost savings to the OCDSB.

b. Eliminate One French Immersion Entry Point

If one of the entry points were eliminated, the cost savings could be up to $650,000 per year. If the elimination of one French Immersion point were adopted, a further investigation would be required to determine which entry point would have to be eliminated.

Eliminating the early entry point is not feasible, because most of the enrolment for the French Immersion program is at the early point. Elimination of an early entry point may result in a loss in enrolment, because parents may place their children in other School Boards that offer an early enrolment in French Immersion.

If the middle entry point were eliminated, it would not give students whose parents move into the geographical area between the early and late entry points an opportunity to enrol in the French Immersion program. Students would have to wait until grade 7 to enrol. But, as noted above, the middle entry point has the lowest enrolment figure and its elimination may result in the least disruption to students and to the French Immersion program.

If the late entry point were eliminated, it would not provide students who move into the OCDSB area after grade 4, with an opportunity to enrol in the French Immersion program. This may deter students from enrolling with the OCDSB.

c. *Eliminate Two French Immersion Entry Points*

If two French Immersion entry points were eliminated, the students would be given fewer program options and would have only one opportunity to enrol in French Immersion. If only one entry point existed, students moving into the OCDSB area after the designated entry point would not have an opportunity to enrol in French Immersion in elementary school. Dependent upon which entry points are eliminated, students may not be able to enrol in French Immersion at a young age. Due to the fewer choices that would be offered across the system, extremely large or extremely small class sizes may occur.

d. *Eliminate All French Immersion Entry Points*

An option would be to eliminate all of the French Immersion entry points, and replace it with a single French Immersion program. The elimination of all entry-level points could result in transportation savings of up to $650,000 per year. The new French Immersion program would take several years to implement and phase in, such that few savings would be available for 2002-2003.

e. *Legally Feasible*

The elimination of one or all of the entry-level points could be legally feasible for September 2002, but is not realistic. Certain students will already be in each level of the program due to previous years' enrolments.

f. *Other Factors*

As discussed above, the anticipated cost savings as a result of improving product delivery entry points for the French Immersion program is primarily from transportation. (See the transportation section.) Any reductions to the number of transportation routes made now for September 2002 could result in litigation by the bus companies. There may not be sufficient time for the planning group at the OCDSB to re-route the bus schedules for September 2002.

It appears that it would be more feasible to implement a phase-in plan for the elimination of one or more entry level points. One possible plan may be to eliminate the middle entry level position because it has the lowest enrolment, and allow for a phase-in period.

Another option would be to not provide the current grade 4 students with the opportunity of entering into French Immersion commencing in 2003-2004. Such an action may result in parent appeals, because the students may not have had ample warning that the program would not be available. Parents may state that had they known the program would be terminated, they would have enrolled their children in French Immersion earlier. Or, parents moving into the OCDSB area in the last year may state that had they known the program would have been terminated, they would have enrolled their children in a different School Board.

Information obtained from the Public Budget Information/Input Sessions on January 10, 2002, suggests that research indicates that there is little benefit of early French Immersion (kindergarten to grade 3) to students. The information session's research suggests that students who took early French Immersion and students who entered middle French Immersion, have been able to achieve the same level of competence when they were tested at the end of grade 6.

Recognizing that bilingualism is a crucial skill in the Ottawa region, one can appreciate the sensitivity surrounding the issue of French Immersion. As a result, such factors should be considered in determining improvements that can be made to the French Immersion program. The reduction of entry-level points would not materially decrease the level of French Immersion. However, there would be a delay for certain students in accessing the French Immersion program. All students would still continue to be eligible to enter the French Immersion program.

2. Custodial and Maintenance Expenditures

In the course of our investigation, we noted that there have not been any significant reassessments of the custodial budget area since the 1998-1999 school year. As discussed in Appendix B of our report, in 1998-1999 the Trustees approved an $11 million reduction to the custodial budget. In 1999-2000, the Trustees then approved an increase in the custodial budget by $9 million, because they concluded that the 1998-1999 budget cuts were too severe. No significant budget reductions have been made to the custodial budget since then.

The OCDSB currently spends more than $50 million on school facility costs. More than one-half of the school facility costs relate to custodian costs. The custodian budget for 2002-2003 is approximately $25 million.

We believe that additional cost savings could be achieved for custodian expenditures. In Table 3, we have compared the "pupil per custodian" ratio among several Boards.

Table 3 – Analysis of Pupils Per Custodian[1]

	1998-1999	1999-2000	2000-2001	2001-2002
Durham	138.8	130.1	145.8	147.3
York	133.0	132.6	120.4	123.5
Peel	138.0	140.2	143.3	150.4
Ottawa-Carleton (Catholic)	138.7	135.5	137.5	141.4
OCDSB	**122.7**	**123.5**	**116.3**	**121.5**

It should be noted that the OCDSB has the lowest "pupil per custodian" ratio in all of the years. In recent years, the average "pupil per teacher" ratio among the other School Boards is approximately 140:1, whereas the OCDSB has a "pupil per teacher" ratio of about 120:1. If the OCDSB were to benchmark their "pupil per custodian" ratio to comparable School Boards, they would be able to eliminate approximately 80 custodians.

---

[1] We have performed the analysis in Table 3 by taking the student enrolment numbers (ADE) for each School Board and dividing that number by the number of custodian and maintenance staff that is reported in School Boards' financial reporting packages to the Ministry. We have not made adjustments for such factors as the square footage of a school.

The OCDSB's low "pupil per teacher" ratio is mainly attributable to the number of custodians per school. The under-utilization of the OCDSB schools could be another factor for the relatively high custodial costs (on a per pupil basis). In essence, the custodial costs of servicing a school with 400 or 500 students may not be materially different from a school with under-utilized capacity.

The Trustees' unwillingness to approve many recommended school closures has exacerbated the problem. The overall costs of operating and maintaining a greater number of schools than are required increases the financial problems of the OCDSB. School closures would serve to alleviate or reduce the extent of such problems and costs. In essence, the Trustees face the choice of either approving school closures or taking the necessary steps to reduce the overall operating costs within under-utilized schools (a task that may be difficult without compromising student safety and school cleanliness).

Notwithstanding the school closure issue, we are of the opinion that the OCDSB's management and deployment of their current custodial staff should be thoroughly assessed. Such an investigation should identify ways to reduce the number of allotted custodians per school, or possibly increase the use of part-time custodians.

APPENDIX H

REVIEW OF THE BOARD OF TRUSTEES' MINUTES

1. Purpose

This Appendix assesses the quality and usefulness of the documentation in the Trustee Board's minutes for the budget-related decisions of the Trustees during the period of our investigation. The Appendix also addresses whether the minutes were sufficiently comprehensive so that they can be used to evaluate whether the Trustees made reasonable efforts to effectively utilize available funding. For example, did the Trustees support a systematic plan to become in-phase with Ontario-wide standards, and to transition to the funding levels that were likely to exist for 2002-2003?

2. Summary Opinion

In general, sufficient explanation of the Trustees' reasoning for many of the budget-related decisions was not adequately documented or referenced in the Board of Trustees' minutes. Therefore, inadequacies exist for purposes of evaluation and future decision making. The minutes do not convincingly support the notion that the Trustees attempted to employ all reasonable efforts to become more efficient with available funding. For example, the minutes do not demonstrate that the Trustees systematically followed a plan that would "balance the budget" when the transition funds would be exhausted for 2002-2003 school year. It became clear from our review of the minutes that, too often, the Trustees failed to implement adequate measures that were necessary to improve the OCDSB's financial situation.

3. Examples

The following examples were noted during our review of the minutes:

a. May 14, 2002 (Board of Trustees' Minutes – Special Meeting)

School Closures

The Trustees voted to close one (1) elementary school and not to close the remaining six (6) elementary schools and two (2) secondary schools that had been recommended for closure by the Staff. Based on our review of the minutes, it appears that the Trustees primarily listened to presentations from groups (i.e., school councils) who were opposed to closing the schools. Therefore, the minutes do not provide adequate documentation of the arguments that exist for closing schools. Furthermore, most of the arguments and rationale that are documented within the minutes appear to be primarily based on "emotional issues" (i.e., the importance of the school to the surrounding community), whereas discussions related to improvements to the School Board's finances were not evident.

b. March 4, 2002 (Board of Trustees' Minutes – Continuation of Special Meeting)

Notice of Amendment to the Budget, School Closures

One of the Trustees brought forth a motion to "reinstate savings from school closures" of $4.6 million, by closing the seven (7) elementary and two (2) secondary schools that were recommended for closure by the Staff, as part of the 2002-2003 budget process. The Trustee explained that the schools should be closed in order to reduce the costs of maintaining excess space. Operating schools with excess pupil places were thought to be harming other students, because of OCDSB's inability to qualify for new pupil placement funding. The Trustees defeated the motion by a vote of eight (8) to four (4).

The minutes provided very limited reasoning to the Trustees' vote to not confirm the school closures. The main reasoning provided in the minutes appeared to be focused on the notion that more students would have to be schooled in portables at an additional cost of $50,000 per portable. There does not appear to be any support for the assertion that the closure of certain schools would necessitate a significant increase in the use of portables. Furthermore, it appears that the $50,000 in portable costs is not a recurring expenditure, and would thus not be a material or recurring cost.

User Fees for Transportation

The Trustees defeated a motion that would have allowed grade 7, grade 8 and high school students to be charged a user fee for transportation services provided by the OCDSB. No documented rationale for the Trustees' decision exists in the minutes.

c. March 4, 2002 (Board of Trustees' Minutes)

Approval of Draft Accountability Budget for 2002-2003

The following statements were made by Trustees regarding the pending approval of the 2002-2003 budget:

> *"Trustee Laurenceson expressed her belief that the government will honour its commitment to education, and pay the Board the money to which it is entitled."*
>
> *"Trustee Graham stated that she supports the accountability budget, and stressed that the underfunding of education is a provincial issue, which must be addressed by the province. The majority of the Board's (Trustees') constituents agree that the province must be held accountable, and that the Board (of Trustees) must not oversee the dismantling of public education."*

In our opinion, such comments emphasize some of the Trustees' misunderstanding of their mandate as elected Trustees and representatives of the Province and the Ministry of Education. It also emphasizes some of the Trustee's misunderstanding of their duties and powers as described in the Ontario Education Act. Some comments indicate the "politicized" motivation of specific Trustee stances regarding the 2002-2003 budget.

d. February 27, 2002 (Board of Trustees' Minutes)

Recommendations from Committee of the Whole (Budget)

The Trustees moved that the following Staff-recommended budget reductions be added back to the proposed 2002-2003 budget:

Media Centre	$ 150,000
Outdoor Education Centres	$ 350,000
School Budgets	$ 2,000,000
Secondary School Office Allocation	$ 420,000
Technician Support	$ 850,000
Transportation	$ 7,200,000
Total	$10,970,000

The Trustees approved the motion by a vote of six (6) to three (3). The minutes provide no rationale, justification, or reasoning for the Trustees' decision for most of the above items that were added back to the Staff-recommended budget for 2002-2003. From our review of other minutes that related to the 2002-2003 budget process (e.g., March 4, 2002), we infer that part of the reason the Trustees decided to add back the Staff recommended budget reductions was "politically" motivated. Further, by adding back these recommended budget reductions, the Trustees were essentially demonstrating that they were not prepared to implement adequate measures that were necessary to balance the budget and improve the efficiency and effectiveness of product delivery.

e. February 26, 2002 (Committee of the Whole Minutes)

Notice of Amendment to Reduce the Budget, Line Items

The Trustees approved an amendment to decrease the central administration department operating budgets by more than $1 million. Analysis and consideration of the implications of the significant budget reductions was not documented in the minutes. The

Director noted that the level of support that would be available to the Trustees would be compromised if additional administration budget reductions were made.

f. January 17, 2002 (Board of Trustees' Minutes)

Attendance Boundaries

The Trustees voted against a motion that would have made changes to the attendance boundaries at several schools. Revisions would stabilize the utilization rates of the relevant schools, and decrease overall operating costs. The motion was defeated primarily because of "concerns about overcrowding and the need for stability". The minutes primarily appear to focus on the "emotional" issues and arguments for not changing the boundaries, and fail to adequately consider or discuss the relevant "financial" issues that continue to face the OCDSB.

g. September 24, 2001 (Board of Trustees' Minutes)

Classroom Closures

The Trustees approved a motion that made it difficult to close classrooms within schools. Specifically, the motion read as follows:

> *"That Staff be directed not to close classrooms which a principal, in consultation with the school council, designates as space required for delivery of curriculum to students including, for example, rooms to be used for the delivery of: Core French to English students, English to French immersion, instrumental or vocal music, physical education space, ESL programming."*

The minutes include documentation that the proposed room closures were substantially completed and that the 135 room closures was estimated to save approximately $250,000. Nevertheless, the minutes appear to provide limited documentation for the specific rationale that was employed by the Trustees when they voted to pass a motion that limits the ability of the Staff to recommend the closure of classrooms.

h. July 25, 2001 (Board of Trustees' Minutes)

Notice of Reconsideration, 2001-2002 Budget

In a motion to reconsider the 2001-2002 proposed budget, the Trustees did not approve the 2001-2002 budget. The main reason and rationale for defeating the proposed budget was to send a message to the Ministry of Education regarding the "province's inadequate funding formula." Based on our review of the minutes, no specific documentation was available that provides specific references to the funding formula components that did not satisfy the Trustees. Specific proposals or recommended solutions were not offered by the Trustees to attempt to balance the budget. Further, there was little explanation about the manner in which the Trustees chose to "send a message" to the Ministry of Education.

i. June 25, 2001 (Board of Trustees' Minutes)

Approval of 2001-2002 Budget

The following statement was included in the minutes regarding the approval of the Staff-recommended 2001-2002 budget:

> *"Trustees speaking against the motion (to approve the budget) submitted that they cannot approve a budget that does not meet the needs of all students. In the face of an overall trend towards spending less on education, it is the Board of Trustees responsibility to take a stand by inviting the Ministry to investigate its financial status and provide guidance as to how the Board can meet the needs of students under the current funding formula. Other Trustees noted that the public, including students and school councils have expressed strong support for the Board should it decide not to approve the 2001-2002 budget."*

Comments such as the above could be interpreted as demonstrating that the Trustees were not willing to implement adequate measures that were necessary to balance the budget under the new Provincial funding standards.

j. December 18, 2000 (Board of Trustees' Minutes)

Reopening Closed Schools

In October 2000, the previous Trustees approved the closure of six (6) schools for the September 2001 school year. Subsequently, in December 2000, the new Board of Trustees (who started their term in December 2000) heard presentations from various groups and school councils who were opposed to the approved closure of six (6) schools (Elmdale, Devonshire, L.D. Billings, Merivale, Overbrook, and Mutchmor). The Trustees then passed a motion to reopen five (5) of the schools (all except for Overbrook) that had been approved for closure by the previous Trustees, just two months prior.

The Trustees' rationale for the decision was focused on the fact that "utlization rates inside the Greenbelt are likely to increase in the short to medium term due to the strong economic growth being experienced by the Ottawa-Carleton region" and because a long-term, comprehensive study had not been adequately completed by the Staff. The reasoning for the Trustees' decision that is documented in the minutes appears to be focused on debatable issues, such as the fact that the Staff's growth projections were wrong. (The Staff's projections were not wrong, as it turns out). It appears that the financial savings that would be realized by closing schools was given relatively less consideration by the Trustees. A motion was also brought forth to re-open Overbrook. The motion was defeated. However, limited reasons were provided in the minutes.

k. May 8 & 10, 2000 (Previous Trustees)

Inadequacy of Provincial Funding Model

The Trustees approved the following motions with limited documented support, analysis and/or justification being shown in the minutes:

> *"That, aside from reductions resulting from amalgamation, harmonization of programs and services and prudent management decisions, the OCDSB commit itself in principle to no further reductions in programs and services due to inadequate allocations in the provincial funding formula."*

Such comments seem to suggest that the Trustees (new Trustees) had adopted an early "political" stance against the necessary budget reductions that would be required under the Province's new funding formula. Unfortunately, minimal evidence has been provided to support the Trustees' stance.

4. OCDSB Board of Trustees Motion Documents

The Board of Trustees motion documents should include control sheets that monitor and organize all of the motions that have been adopted by the Trustees. Hence, we reviewed the Board of Trustees' motion documents. However, they too provided very limited explanation, reasoning or justification for the adopted motions. In our opinion, such limited documentation does not improve the efficiency and effectiveness of operations and product delivery at the OCDSB.

5. Conclusion and Recommendation

The Minutes that have been produced for the Board of Trustees' budget-related matters do not permit a reader to understand the decision-process of the Trustees. Without adequate information as to how a decision was made, accountability and evaluation of Trustees' actions cannot be achieved.

Nevertheless, some portions of the Minutes suggest that Trustee philosophy changed in 2000. The new Board of Trustees adopted a philosophy that differed significantly from that of the Provincial government, especially with respect to education equity across the Province.

We recommend that the Minutes of future Trustees' meetings contain, at a minimum, the following information:

a) a summary of the salient issues that were considered before making a decision, and how the main factors were weighed;

b) the arguments for and against a particular motion, and how each was considered by the Trustees;

c) the dominant or most persuasive factors in the ultimate decision;

d) the conclusion (resolution); and,

e) the vote count, including who voted for each motion.

LAWRENCE S. ROSEN

Personal Data

*(2000)**

EDUCATION

M.B.A. (1964), Ph.D. (1966), University of Washington

B. Com. (1957) British Columbia

Chartered Accountant (1960) British Columbia

Certified Management Accountant (Registered Industrial Accountant, 1970, British Columbia)

DESIGNATIONS

FCA, Ontario
FCA, Alberta
FCMA, Canada
CFE, (Certified Fraud Examiner and Life Member) Canada and U.S.A.
AIIC, (Associate of the Insurance Institute of Canada)
CPA, (Illinois)*
CA·IFA (specialist, Investigative and Forensic Accounting)*

EMPLOYMENT

Professor and Director of the MBA Program, York University, Toronto, Canada (Professor 1972 -) (Director of MBA Program 1992 - 1994)

Principal, Rosen & Associates Limited, (2000* -)

Principal, Rosen & Vettese Limited, (1990 - 2000*)

Partner or Associate, Mintz & Partners, 1986 - 1990

Advisor to the Auditor General of Canada, 1978 - 1993

Consultant to Clarkson Gordon, (Accounting principles, litigation, education) 1972 - 1986

Manager, Accounting Standards and Research group, Clarkson Gordon, Toronto, 1970 - 1972

Lecturer, (part-time), Faculty of Administrative Studies, York University, Toronto, 1970 - 1972

Professor and Associate Professor, University of Alberta, 1966 - 1970

Predoctoral Instructor, University of Washington, 1964 - 1966

Instructor, University of British Columbia, 1961 - 1963 (part-time, 1960 - 1961)

Chartered Accountant and Student, Peat, Marwick Mitchell & Co., 1957 - 1961

* C.V. as of 1994, except for items marked *, which are as of August 2000.

LITIGATION AND RELATED CASES

Recent:

Northland Bank -- testimony and expert analysis in connection with alleged negligence of auditors

National Business Systems -- expert analysis in connection with alleged negligence of auditors

Hyundai Motor Company -- defence accounting and analysis for the Canadian Import Tribunal for charge of dumping automobiles, under the Special Import Measures Act

Teachers' Investment & Housing Co-operative -- preparation of litigation materials for the Attorney General of British Columbia

Ontario Ministry of Labour -- accounting advice and litigation support in connection with an investigation involving Varity Corporation

Calgroup Graphics and Price Waterhouse -- testimony, and accounting advice to the Ontario Securities Commission re alleged Securities Act violations

Many cases are currently in progress.

Several other cases re professional negligence; preparation of expert reports

Testimony before courts in Ontario, British Columbia and Quebec re contract disputes, competition legislation, matrimonial, alleged frauds, automobile accidents and other litigation

Forensic accounting; patent infringements; insurance claims

Previous:

Preparation of pre-trial reports, and expert witness appearances with respect to:

- patent infringements
- predatory pricing
- contract disputes
- accounting and auditing principles and policies
- loss of profits, and valuation

PROFESSIONAL AND ACADEMIC ASSOCIATIONS

Memberships:

Institute of Chartered Accountants of Alberta, Ontario, and British Columbia (FCA, Ontario; FCA, Alberta)

Society of Management Accountants of Ontario (FCMA, Canada)

Canadian Comprehensive Auditing Foundation

American Accounting Association

Canadian Academic Accounting Association

Association of Certified Fraud Examiners

Insurance Institute of Canada

Positions Held:

Director of the MBA Program, York University

Member, Senate, York University

Area Coordinator, Accounting Area, York University

Council Member, Institute of Chartered Accountants of Ontario

Chairman, Senate Appeal Committee, York University

Advisory Board, Comprehensive Auditing, Society of Management Accountants of Canada

Editor, "Education Research", The Accounting Review, 1979 - 1984

Board of Directors, Society of Management Accountants of Canada, 1980 - 1983

Governor, Canadian Comprehensive Auditing Foundation, 1980 -1983

Director and President, The Canadian Academic Accounting Association, 1976 -1978

Editorial Board, The Accounting Review, 1975 - 1978

Executive, Canadian Region, American Accounting Association (3 years) Chairman (1 year) and member (3 years), Manuscript Awards Committee, American Accounting Association

Editor "Education", CA Magazine, 1972 - 1977

Member of numerous committees of professional associations or academic bodies

PUBLICATIONS

Articles:

"CICA Exposure Draft: A Comment", The Philanthropist (Summer 1992)

"Restoring the Importance of Accounting Education", CAmagazine (September 1982)

"An Empirical Study of Materiality Judgments by Auditors, Bankers and Analysts", In S. Basu and J. Alex Milburn, Proceedings of the 1981 Clarkson Gordon Foundation Research Symposium (Toronto, 1982)

"Dialogue on Accounting Education", (with R. Denham), CAmagazine (September 1981)

"Accounting Education: A Grim Report Card", CAmagazine (June 1978)

"'New' Auditing Concepts for Current Value Accounting?", in Auditing Research Symposium - 1977 (Toronto: CICA, 1978)

"Accounting for Inflation in Canada" in Accounting For Changes In The Value of Money, (Munich: 11th International Congress of Accountants, 1977)

"Autumn of Our Discontent", CAmagazine, (October 1976). (Granted the W.J. MacDonald Memorial Award for the best article in 1976-77)

"Alternatives to Historic Cost: An Introductory Analysis", CAmagazine, (July 1976)

"Professional Judgment and Multi-Subject Accounting", CAmagazine, (May 1976)

"Comprehensive Problem - Philosophy and Technique", Cost and Management, (March - April 1976)

"Current Practitioner - Academic Relations", CAmagazine, (September 1975)

"Comprehensive Case Examinations", CAmagazine, (March 1975)

"Funds Statements", CAmagazine, (July 1974)

"Tailoring Accounting Techniques to Management Decisions", CAmagazine, (March 1974)

"Accountancy Examinations", Canadian Chartered Accountant, (July 1972)

"Chartered Accountancy Education and Examinations", Canadian Chartered Accountant, (July 1971)

"A Framework for Studies in Accountancy", Canadian Chartered Accountant, (July 1971)

"Accounting and the Behavioral Sciences", (with C.J. McMillan), Canadian Chartered Accountant, (October 1970)

"Alternatives to Historical Cost", Canadian Chartered Accountant, (March 1970)

"General Price-Level Restated Reports", Canadian Chartered Accountant, (January and February 1970)

"`Funds' Statements: A Historical Perspective", (with Don T. DeCoster), The Accounting Review, (January 1969)

Series on "Funds" Statement Concepts, Canadian Chartered Accountant, (October, November, December, 1968). One article in three-part series reproduced in T.J. Burns and H.S. Hendrickson, The Accounting Sampler, second edition, (New York, McGraw-Hill Book Company, 1972)

"Some Behavioral Consequences of Accounting Measurement Systems", (with R.E. Schneck) Cost and Management, (October 1967). Reprinted in W. Bruns, Jr. and Don T. DeCoster (editors), Accounting and Its Behavioral Implications, (New York: McGraw-Hill Book Company, 1969)

"On the Conflict between Custodial and Operational Accounting", Cost and Management, (June and July - August 1967)

"Replacement Value Accounting", The Accounting Review, (January 1967)

"Historical Cost and Replacement Value Accounting", The Illinois C.P.A., (Spring 1966)

"Operations Research", (with C. Rosen), Certified General Accountant, (November - December 1964)

"Price-Level Adjustments and Cost Systems", Cost and Management, (October 1964)

Books:

Accounting: A Decision Approach, (Toronto: Prentice-Hall, 1986). Also accompanying instructors' manual

Study Guide for Accounting: A Decision Approach, (Toronto: Prentice-Hall, 1986)

Topics in Managerial Accounting, (Third Edition, Editor), Toronto: McGraw-Hill Ryerson Limited, 1984

Financial Accounting: A Canadian Casebook with Multiple Subject Cases, (Toronto: Prentice-Hall, 1982). Also accompanying instructors' manual.

An Introduction to Accounting Case Analysis, Second Edition, (Toronto: McGraw-Hill, 1981). Also accompanying instructors' manual.

Canadian Financial Accounting, (with M. Granof) (Toronto: Prentice-Hall, 1980).

Self Study Problems for Canadian Financial Accounting, (with G. Richardson) (Toronto: Prentice-Hall, 1980)

An Introduction to Accounting Case Analysis, (Toronto: McGraw-Hill Ryerson Limited, 1975), 195 pages

Topics in Managerial Accounting, (Second Edition Editor), (Toronto: McGraw-Hill Ryerson Limited, 1974), 412 pages

Instructors' Manual for Topics in Managerial Accounting, (Second Edition, 1974), 32 pages

Valeurs Actuelles Et Indexation Des Etats Financiers, (Toronto: Canadian Institute of Chartered Accountants, 1973), 150 page. French Translation of 1972 book.

Current Value Accounting and Price-Level Restatements, (Toronto: Canadian Institute of Chartered Accountants, 1972), 143 pages.

Topics in Managerial Accounting, (Editor), (Toronto: McGraw-Hill Company of Canada Ltd., 1970), 365 pages.

Cas De Compatibilite Et D'Administration, (Montreal: McGraw-Hill Company of Canada Ltd., 1970), 475 pages. French translation of 1968 book.

Cases in Accounting and Business Administration, (Toronto: McGraw-Hill Company of Canada Ltd., 1968), 405 pages, and companion book, Instructors' Notes for Cases in Accounting and Business Administration, (Toronto: McGraw-Hill Company of Canada Ltd., 1969), 385 pages.

Several book and article reviews, lesson manuals and papers reproduced in proceedings of meetings.

MARILYN ABATE

Personal Data

EDUCATION

Certified Public Accountant (November, 2000)

CICA In-Depth Tax Course - Levels I, II and III (July, 2000)

Chartered Accountant (April, 1999)

Specialized Honours, Bachelor of Business Administration (1996)
York University, Ontario

DESIGNATIONS

CA, Ontario

CPA, Illinois

PROFESSIONAL ASSOCIATIONS

Institute of Chartered Accountants of Ontario

Association of Certified Fraud Examiners (Associate Member)

Canadian Institute of Chartered Business Valuators
(Associate Member)

EMPLOYMENT

Associate, **Rosen & Associates Limited**, (February 2000 - Present)

- Forensic and Litigation Accounting
- Business Valuation
- Quantification of Damages
- Litigation Support

EMPLOYMENT – CONTINUED

Tax Senior, **Arthur Andersen LLP**, (March 1998 - February 2000)

- Preparation and review of various tax returns
- Research and correspondence on tax positions
- Research for tax planning issues
- Implementation of tax planning structures
- Review complex tax accrual reporting
- Income tax assessment and audit consulting

Staff Accountant, **Arthur Andersen LLP**, (September 1996 - March 1998)

- Audit large and small companies
- Senior (in-charge) of several audit jobs
- Preparation of Planning Memos for audits
- Supervision of staff
- Preparation of various tax returns

Instructor, **York University**. (September 1996 - Present)

- Teach and lecture MBA and BBA accounting and tax classes
- Tutor MBA and BBA accounting and tax students

Junior Accountant, **Cina & Scauzillo, CAs**, (February 1992 - September 1996)

- Preparation of working papers
- Preparation of personal tax returns
- Daily accounting and bookkeeping

VOLUNTEER EXPERIENCE

Children's Liturgy, **St. Patrick's Church**, (January 1994 - Present)

- Coordinator and Teacher
- Implementation of Children's Liturgy Program at parish
- Prepare, plan and teach lessons to children weekly

Accountant, **St. Patrick's Church**, (January 1994 - Present)

- Preparation of Semi-Annual Financial Reports
- Preparation of Annual Registered Charity Information Return
- Preparation of annual T4 slips

Volunteer, **CA Tax Clinics**, (March 1996 - Present)

- Preparation of personal tax returns for elderly and low income earners

LARRY ANDRADE

Personal Data

EDUCATION

Chartered Accountant (September, 1999)

Specialized Honours, Bachelor of Business Administration (1997)
Schulich School of Business, York University, Ontario

Masters of Business Administration (2002)
Schulich School of Business, York University, Ontario

DESIGNATIONS

CA, Ontario

PROFESSIONAL ASSOCIATIONS

Institute of Chartered Accountants of Ontario

Association of Certified Fraud Examiners (Associate Member)

Canadian Institute of Chartered Business Valuators (Associate Member)

EMPLOYMENT

Associate, Rosen & Associates Limited (January 2000 – Present)

- Forensic and Litigation Accounting
- Business Valuation
- Quantification of Damages
- Litigations Support

EMPLOYMENT – CONTINUED

Audit Senior, **Arthur Andersen LLP**, (April 1997 – January 2000)

- Audit of large and small companies
- Review Engagements for large and small companies
- Due Diligence services for companies
- Compilations for small companies
- Specialization in Technology and Consumer Product companies
- Planning and Organizing audit jobs
- Supervision of audit teams
- Preparation of financial statements
- Preparation of various tax returns

Instructor, **York University**, (September 1997 – Present)

- Lecture undergraduate and graduate level financial accounting and auditing courses
- Set course curriculum, assignments and exams

Teaching Assistant, **York University**, (Sept 1994 – April 1996)

Conduct tutorials for undergraduate students

- Grade assignments

OTHER

Volunteer, **CA Tax Clinics**, (March 1998 – Present)

- Preparation of personal tax returns for elderly and low income earners

ALAN T. MAK

Personal Data

EDUCATION

Bachelor of Business Administration (*With Distinction*) (1996)
York University, Ontario

Chartered Accountant (January, 1999)

CICA In-Depth Income Tax, Levels I, II & III (July, 2000)

DESIGNATIONS

CA, Ontario

CPA, Illinois

AHKSA, Hong Kong

PROFESSIONAL ASSOCIATIONS

Institute of Chartered Accountants of Ontario

American Institute of Certified Public Accountants

Illinois CPA Society

Hong Kong Society of Accountants

Association of Certified Fraud Examiners (Associate Member)

Canadian Institute of Chartered Business Valuators (Associate Member)

EMPLOYMENT

Associate, **Rosen & Associates Limited** (April 2000 - Present)

- Forensic Accounting
- Business Valuation
- Quantification of Damages
- Accountants' Negligence

Tax Senior, **Arthur Andersen LLP**, (Sept. 1997 - March 2000)

- International Corporate Tax
- Transfer Pricing
- Corporate Re-organizations
- Income Tax Audit Consulting

Staff Accountant, **Arthur Andersen LLP**, (Sept 1996 – Sept 1997)

- Audit and review of Canadian businesses
- Consumer products, financial services, and media/advertising industries

Instructor, **York University**, (Sept 1996 - Present)

- Lecture undergraduate and graduate level financial accounting and auditing courses
- Set course curriculum, assignments and exams

Teaching Assistant, **York University**, (Sept 1994 – April 1996)

- Conduct tutorials for undergraduate students

OTHER

Volunteer, **CA Tax Clinics**, (Mar 1996 - Present)

- Preparation of personal income tax returns for elderly & low income individuals

Contributor, **Intermediate Accounting,** Beechy & Conrod (McGraw-Hill Ryerson, Toronto, 1999)

- Prepared the glossary in Volume II of text

Contributor, **Financial Accounting and Reporting (2nd Edition),** Austin, Haskins, Ferris, Sack and Allen (McGraw-Hill Ryerson, Toronto, 1999)

- Technical review of problems and solutions in text

Contributor, **ICAO Tax Tips** (1999 – 2001)

- Contributed to tax planning solutions published by the ICAO public information service